WR Grace

Bankruptcy Form 10

Index Sheet

SR00000926

Claim Number: 00015720

Receive Date: 01/06/2005

Multiple Claim Reference

Claim Number _____

- ☐ MMPOC Medical Monitoring Claim Form
- ☐ PDPOC Property Damage
- ☐ NAPO Non-Asbestos Claim Form
- ☐ Amended

Claim Number _____

- ☐ MMPOC Medical Monitoring Claim Form
- ☐ PDPOC Property Damage
- ☐ NAPO Non-Asbestos Claim Form
- ☐ Amended

Attorney Information

Firm Number: 00351

Firm Name: Wildman Harrold Allen & Dixon

Attorney Number: 00319

Attorney Name: Jeffrey L Gansberg

Zip Code: 60606-1229

Cover Letter Location Number: SR00000926

Attachments Medical Monitoring	Attachments Property Damage	Non-Asbestos
☐ TBD	☐ TBD	☐ Other Attachments
☐ TBD	☐ TBD	
☐ TBD	☐ TBD	
☐ TBD	☐ TBD	
☐ TBD	☐ TBD	
	☐ Other Attachments	

Other

- ☐ Non-Standard Form
- ☒ Amended 14388
- ☐ Post-Deadline Postmark Date

☐ Amended per Objection

Original Claim #: _____

Box/Batch: WRBF0053/WRBF0209

Document Number: WRBF010428

FORM B10 (Official Form 10) (4/01)

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

GRACE NON-ASBESTOS PROOF OF CLAIM

Name of Debtor: [1] W.R. Grace & Co.
f/k/a Grace Specialty Chemicals, Inc. (1)

Case Number
01-1139

NOTE: Do not use this form to assert an Asbestos Personal Injury Claim, a Settled Asbestos Claim or a Zonolite Attic Insulation Claim. Those claims will be subject to a separate claims submission process. This form should also not be used to file a claim for an Asbestos Property Damage Claim or Medical Monitoring Claim. A specialized proof of claim form for each of these claims should be filed.

Name of Creditor (The person or other entity to whom the debtor owes money or property):

CNA Companies (2)

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Name and address where notices should be sent:
Jonathan W. Young
Jeffrey L. Gansberg
Wildman, Harrold, Allen & Dixon LLP
225 West Wacker Drive, Suite 3000
Chicago, IL 60606
Telephone number: (312) 201-2000

☐ Check box if you have never received any notices from the bankruptcy court in this case.

☐ Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor:

Check here if this claim ☐ replaces ☒ amends a previously filed claim, dated: 3/28/03

Corporate Name, Common Name, and/or d/b/a name of specific Debtor against whom the claim is asserted:
W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.)

1. **Basis for Claim**

☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury / wrongful death
☐ Taxes
☒ Other (3)

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)

Your SS #: _____
Unpaid compensation for services performed from _____ (date) to _____ (date)

2. **Date debt was incurred: (4)**

3. **If court judgment, date obtained:**

4. **Total Amount of Claim at Time Case Filed:** $ 18,568,706 (5)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges

5. **Classification of Claim. Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured Nonpriority, (2) Unsecured Priority, (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED.**

☒ SECURED CLAIM (check this box if your claim is secured by collateral, including a right of setoff).

Brief Description of Collateral:

☐ Real Estate ☒ Other (Describe briefly) (6)

Amount of arrearage and other charges at time case filed included in secured claim, in any: $_____

☒ **UNSECURED NONPRIORITY CLAIM (7)**

A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.

☐ UNSECURED PRIORITY CLAIM – Specify the priority of the claim

☐ Wages, salaries, or commissions (up to $4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(7).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(__).

6. **Credits:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. (6)

7 **Supporting Documents:** *Attach copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

8 **Acknowledgment:** Upon receipt and processing of this Proof of Claim, you will receive an acknowledgment card indicating the date of filing and your unique claim number. If you want a file stamped copy of the Proof of Claim form itself, enclose a self addressed envelope and copy of this proof of claim form.

THIS SPACE IS FOR COURT USE ONLY

Date
January 5, 2005

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): **CNA Companies, by their attorneys, Jeffrey L. Gansberg, Wildman Harrold, Allen & Dixon, LLP**

WR Grace BF.53.209.10428
00015720
SR=926

REC'D JAN 06 2005

[1] See General Instructions and Claims Bar Date Notice and its exhibits for names of all Debtors and "other names" used by the Debtors

Wildman, Harrold, Allen & Dixon
225 West Wacker Drive
Chicago, Illinois 60606-1229
312-201-2000
312-201-2555 fax
www.wildmanharrold.com

Wildman Harrold
Attorneys and Counselors

Jeffrey L. Gansberg
312-201-2677
gansberg@wildmanharrold.com

January 5, 2005

VIA OVERNIGHT DELIVERY

Rust Consulting, Inc.
Claims Processing Agent
re: W.R. Grace & Co. Bankruptcy
201 S. Lyndale Avenue
Faribault, MN 55021

Re: *In re W.R. Grace & Co. f/k/a Grace Specialty Chemicals, Inc.*
Case No. 01-1139 and related cases
U.S. Bankruptcy Court for the District of Delaware

To Whom It May Concern:

Enclosed are an original and two copies of an Amended Proof of Claim on behalf of CNA Companies. This Amended Proof of Claim applies to the 62 debtors listed on Exhibit H to the Amended Proof of Claim and amends the claims filed in each of those debtors' cases. Please file the original Amended Proof of Claim and return a file-stamped copy to me. A self-addressed, postage-prepaid envelope is enclosed for your convenience.

Thank you for your attention to this matter

Very truly yours,

Jeffrey L. Gansberg

Enclosures

RECEIVED JAN 0 6 2005

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: WR Grace & Company
Case No. 01-01139

DOCUMENTS APPENDED TO CLAIM

On August 8, 2008, the document(s) identified below were appended to Claim No. 15720 for the reason(s) indicated:

☐ Stipulation/Order: Docket No. _____.

☐ New Supporting Document(s).

☐ Letter dated _____ requesting of Withdrawal of Claim No. _____.

☐ Notice of Withdrawal of Claim filed _____, Docket No. _____, for Claim No. _____.

☒ Other: The surviving claim 15720 did not include the exhibits that were part of the claims that were amended by claim 15720. The following pages were from one of the amended claims and were appended to this sole surviving claim in order to provide all relevant supporting documentation.

WR Grace

SR00000926

Bankruptcy Form 10

Index Sheet

Claim Number: 00015659

Receive Date: 01/06/2005

Multiple Claim Reference

Claim Number ____

- ☐ MMPOC Medical Monitoring Claim Form
- ☐ PDPOC Property Damage
- ☐ NAPO Non-Asbestos Claim Form
- ☐ Amended

Claim Number ____

- ☐ MMPOC Medical Monitoring Claim Form
- ☐ PDPOC Property Damage
- ☐ NAPO Non-Asbestos Claim Form
- ☐ Amended

Attorney Information

Firm Number: 00351

Firm Name: Wildman Harrold Allen & Dixon

Attorney Number: 00319

Attorney Name: Jeffrey L Gansberg

Zip Code: 60606-1229

Cover Letter Location Number: SR00000926

Attachments Medical Monitoring	Attachments Property Damage	Non-Asbestos
☐ TBD	☐ TBD	☐ Other Attachments
☐ TBD	☐ TBD	
☐ TBD	☐ TBD	
☐ TBD	☐ TBD	
☐ TBD	☐ TBD	
	☐ Other Attachments	

Other

- ☐ Non-Standard Form
- ☒ Amended #14076
- ☐ Post-Deadline Postmark Date

☐ Amended per Objection

Original Claim #: ____

Box/Batch: WRBF0052/WRBF0208

Document Number: WRBF010367

FORM B10 (Official Form 10) (4/01)

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

[redacted]

Name of Debtor:[1] W.R. Grace & Co.
f/k/a Grace Specialty Chemicals, Inc. (1)

Case Number
01-1139

[redacted]

Name of Creditor (The person or other entity to whom the debtor owes money or property):

CNA Companies (2)

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars

Name and address where notices should be sent:
Jonathan W. Young
Jeffrey L. Gansberg
Wildman, Harrold, Allen & Dixon LLP
225 West Wacker Drive, Suite 3000
Chicago, IL 60606
Telephone number: (312) 201-2000

☐ Check box if you have never received any notices from the bankruptcy court in this case.

☐ Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor:

Check here if this claim ☐ replaces ☒ amends a previously filed claim, dated: 3/28/03

Corporate Name, Common Name, and/or d/b/a name of specific Debtor against whom the claim is asserted:
W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.)

1. Basis for Claim

☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury / wrongful death
☐ Taxes
☒ Other (3)

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)

Your SS #: _____
Unpaid compensation for services performed from _____ (date) to _____ (date)

2. Date debt was incurred: (4)

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 18,568,706 (5)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges

5. Classification of Claim. Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured Nonpriority, (2) Unsecured Priority, (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED.

☒ SECURED CLAIM (check this box if your claim is secured by collateral, including a right of setoff).

Brief Description of Collateral:

☐ Real Estate ☒ Other (Describe briefly) (6)

Amount of arrearage and other charges at time case filed included in secured claim, in any: $

☒ **UNSECURED NONPRIORITY CLAIM (7)**

A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.

☐ UNSECURED PRIORITY CLAIM - Specify the priority of the claim

☐ Wages, salaries, or commissions (up to $4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(7).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(__).

6. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. (6)

7 **Supporting Documents:** *Attach copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

8 **Acknowledgment:** Upon receipt and processing of this Proof of Claim, you will receive an acknowledgment card indicating the date of filing and your unique claim number. If you want a file stamped copy of the Proof of Claim form itself, enclose a self addressed envelope and copy of this proof of claim form.

THIS SPACE IS FOR COURT USE ONLY

Date
January 5, 2005

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): **CNA Companies, by their attorneys, Jeffrey L. Gansberg Wildman Harrold, Allen & Dixon, LLP**

WR Grace BF.52.208.10367
00015659
SR=926

REC'D JAN 06 2005

[1] See General Instructions and Claims Bar Date Notice and its exhibits for names of all Debtors and "other names" used by the Debtors

Wildman, Harrold, Allen & Dixon
225 West Wacker Drive
Chicago, Illinois 60606-1229
312-201-2000
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www.wildmanharrold.com

Wildman Harrold
Attorneys and Counselors

Jeffrey L. Gansberg
312-201-2677
gansberg@wildmanharrold.com

January 5, 2005

VIA OVERNIGHT DELIVERY

Rust Consulting, Inc.
Claims Processing Agent
re: W.R. Grace & Co. Bankruptcy
201 S. Lyndale Avenue
Faribault, MN 55021

Re: *In re W.R. Grace & Co. f/k/a Grace Specialty Chemicals, Inc.*
Case No. 01-1139 and related cases
U.S. Bankruptcy Court for the District of Delaware

To Whom It May Concern:

Enclosed are an original and two copies of an Amended Proof of Claim on behalf of CNA Companies. This Amended Proof of Claim applies to the 62 debtors listed on Exhibit H to the Amended Proof of Claim and amends the claims filed in each of those debtors' cases. Please file the original Amended Proof of Claim and return a file-stamped copy to me. A self-addressed, postage-prepaid envelope is enclosed for your convenience.

Thank you for your attention to this matter

Very truly yours,

Jeffrey L. Gansberg

Enclosures

RECEIVED JAN 0 6 2005

W.R. Grace & Co.
(f/k/a Grace Specialty Chemicals, Inc.)
Case No. 01-1139, Chapter 11
United States Bankruptcy Court for the District of Delaware

Amended Proof of Claim

1

This claim is filed in the Chapter 11 proceeding of W. R. Grace & Co ("Grace"), the party insured under the Policies and Agreements defined hereinafter. This claim is also filed in the Chapter 11 cases of the other Grace co-Debtors, including the above-captioned Debtor (individually or collectively, together with Grace, the "Debtors"), to the extent (i) such other Debtors are additional insureds under the Policies and Agreements and/or (ii) any obligations owing under the Policies and Agreements are allocable to such Debtors. This Amended Proof of Claim applies to the 62 debtors listed on Exhibit H hereto and amends the claims filed in each of those debtors' cases. For administrative convenience, CNA will not be filing individual amended claims for each of the debtors on Exhibit H and this amended claim applies to each of those debtors and amends the claims filed in each of those cases.

2

This claim is filed by Continental Casualty Company, Transportation Insurance Company, CNA ClaimPlus, Inc., as successor in interest to RSKCo Services, Inc. f/k/a Transcontinental Technical Services, Inc., and any of their affiliates that are parties to the Policies and Agreements defined hereinafter (individually or collectively, the "CNA Companies" or "CNA").

3

Prior to the inception of this proceeding CNA issued various policies of insurance to one or more of the Debtors (collectively, the "Policies"). CNA and the Debtors also executed various agreements and undertakings relating to the Policies, including but not limited to Finance Agreements, Deductible Reimbursement Agreements, Claims Service Agreements and Plan Maximum Agreements (collectively, the "Agreements"). Pursuant to the Policies and Agreements, and subject to all of the terms, conditions, exclusions and limitations contained therein, CNA provided insurance coverage and claim handling services to the Debtors, including workers compensation, automobile, general liability and related insurance coverage. Also pursuant to the Policies and Agreements, the Debtors agreed to pay CNA specified premiums, loss reimbursement, expenses, claim handling charges and other amounts provided thereunder. The periods of coverage applicable to this program are June 30, 1985-86, June 30, 1986-87, June 30, 1987-88, June 30, 1988-89, June 30, 1989-90, June 30, 1990-91, June 30, 1991-92, June 30, 1992-93, June 30, 1993-94, June 30, 1994-95, June 30, 1995-96, June 30, 1996-97, June 30, 1997-April 1, 1998, April 1, 1998-June 30, 1999 and June 30, 1999-June 30, 2000, and any other periods of coverage under which the Debtors are still obligated to CNA, and for which CNA seeks enforcement in this Court.

Certain of the Polices are auditable. That is to say, the amounts owing thereunder are subject to revision, up or down, based upon changes to underwriting factors like number of employees, payroll, number of automobiles and the like. Certain of the Polices issued prior to the April 1, 1998-June 30, 1999 term are loss sensitive. That is to say, the amounts owing under these Policies are subject to revision, up or down, based upon claims experience under the Policies. These amounts are periodically recalculated pursuant to paid loss and incurred loss retro programs, paid loss and incurred loss large deductible programs and other provisions and formulae set forth in the Policies and/or Agreements. The Policies applicable to the April 1, 1998-June 30, 1999 and June 30, 1999-2000 terms are subject to aggregate deductible plans, and the reconciliations provided under such plans.

Because the amounts owing under the Policies and Agreements are subject to revision, this claim was originally filed as unliquidated. However, for purposes of notice, and as explained below, CNA is amending the claim to incorporate certain calculations and actuarial projections of amounts owing, or projected to be owing under the Policies and Agreements. These amounts remain subject to revision up or down, based upon further audits, reconciliations and/or loss development under the program. Because the amounts owed to CNA are subject to revision, CNA expressly reserves the right to amend this claim at any time hereafter, to reflect the most current audited data and loss information available. CNA likewise reserves the right to request at any time a judicial estimation of this claim pursuant to 11 U.S.C. § 502(c).

CNA has attached a Finance Agreement, Deductible Reimbursement Agreement, Claims Service Agreement and Plan Maximum Agreement, all dated as of June 30, 1993, as Exhibits A, B, C and D, respectively, to the proof of claim filed in the case of W. R. Grace & Co. Copies of the additional Policies and Agreements are too voluminous to attach, but will be furnished upon reasonable request.

This claim represents an estimate of amounts that may ultimately be owed under the Policies and Agreements. Nothing contained in this claim should be deemed an admission as to the extent of the insurance coverage provided under the Policies, the obligations of the insurer thereunder, or the coverage of specific claims thereunder, all of CNA's rights and remedies with respect to the foregoing being expressly reserved. Likewise, this claim should not be deemed a waiver or release of any other rights and remedies available to CNA under applicable law, including but not limited to the right to trial by jury, where applicable.

4

The debt reflected in this claim is incurred as and when obligations accrue under the Polices and Agreements, beginning with the inception dates of such Policies and Agreements reflected above.

5

CNA has prepared an actuarial calculation, projecting and estimating the amounts that will ultimately be owed by the Debtors under the Policies and Agreements (hereinafter, an "Ultimate Calculation"). The Ultimate Calculation, which values losses as of January 1, 2004, projects that CNA will eventually be owed a net balance of $18,568,706.00, after giving credit to payments and collateral draws previously made. This balance, which is broken out by policy

year, includes a $5,000,000.00 reserve for Claim # 07104284. Again, this reserve is provided for notice purposes only, and does not constitute an admission as to the extent of coverage applicable to such claim or claims, or the Debtors' liability thereunder. The Ultimate Calculation is attached as Exhibit E to the proof of claim filed in the case of W. R. Grace & Co.

With respect to the aggregate deductible portion of the program (April 1, 1998-June 30, 1999 and June 30, 1999-June 30, 2000), CNA presently calculates that a balance of $5,018.00 is owed by the Debtors for the 1998 program, and a credit of $9,721.00 is owing to the Debtors for the 1999 program. These balances, most of which are attributable to audits of the program, are further documented on the worksheet attached as Exhibit F to the proof of claim filed in the case of W. R. Grace & Co. CNA hereby amends it claim to reflect these estimated and liquidated balances.

6

The claim is secured by the collateral identified on the worksheet attached as Exhibit G to the proof of claim filed in the case of W. R. Grace & Co. CNA also is secured by any credits now or hereafter owing to the Debtors, including but not limited to a $1,989,765.80 balance owing under an Excess Settlement Agreement between the parties. CNA reserves all rights of setoff and/or recoupment to the fullest extent possible.

7

To the extent this claim is entitled to priority status, whether under 11 U.S.C. § 507(a)(1) or (4), CNA hereby reserves and asserts such status. To the extent this claim is neither secured nor entitled to priority status, CNA hereby asserts this claim as a general unsecured claim.

CNA
For All I, Commitments I Make

Finance Agreement
Paid Loss Rating Plan

This Agreement effective As of June 30, 1993 is made between W.R. Grace & Co. One Town Center Road, Boca Raton, FL 33486 (the "Insured") and Transportation Insurance Company, CNA Plaza, Chicago, IL 60685 (the "Insurer").

Whereas, the Insurer has issued to the Insured its Policy(ies) numbered WC 802514761, ~~WC 802514761~~, GL 002514765 (the "Policies") for the period of June 30, 1993 to June 30, 1994 and the Insured has agreed to pay the premiums for the Policies at the times and in the amounts provided for in the premium installment endorsement(s) to the Policies.

IT IS THEREFORE AGREED:

1. **ESTIMATED INSTALLMENT PREMIUM**

The Insured agrees to pay to the Insurer an estimated standard premium of $ 2,828,308 (estimated as of the date of this Agreement). The Insured further agrees to pay to the Insurer a portion of the estimated standard premium in the form of an estimated installment premium. A portion of the estimated installment premium shall represent the retention, premium tax, excess loss premium, if any, and any other nonrateable elements and regulatory assessments as indentified in the Confirmation Letter dated July 29, 1993 and any subsequent amendments thereto ("Confirmation Letter"). The estimated installment premium is payable in the amounts and at the times set forth in the premium installment endorsement(s) to the Policies.

The amount by which the estimated standard premium exceeds the estimated installment premiums shall be payable as a balloon installment due October 1, 1998. The balloon installment shall be adjusted according to Articles 2, 3, and/or 5 hereof. The actual premium due under the Policies may vary from the amount estimated herein according to actual loss experience and the final terms, provisions and endorsements contained within the Policies.

2. **PREMIUM AUDIT**

Premium audits for actual exposure incurred under the Policies will be made by the Insurer in accordance with the Policies and may result in adjustments to the estimated standard premium payable. The Insurer shall send to the Insured notice of such adjustments in the form of a billing or a refund as determined by the audit. During the Paid Loss Period, as defined in Article 4 hereof, the collection or return of funds generated by premium audit adjustments will be limited to that portion of the adjustment representing the retention, premium tax, excess loss premium, if any, and any other nonrateable elements and regulatory assessments. The Insured shall pay to the Insurer any amounts billed to it under this Article 2 within thirty (30) days of the billing date.

3. **RATING PLAN ACCOUNTING** See Addendum Number 1

As of eighteen (18) months after the Policies' inception, or such other period as may be provided in an endorsement(s) to the Policies, and annually thereafter (the "Evaluation Date") until final settlement, the Insurer will prepare a rating plan accounting reconciliation between the Insured's payments-to-date and the adjusted premium incurred under the Policies, determined in accordance with the rating plan. Upon completion of each accounting, the Insurer shall send to the Insured notice of the accounting in the form of either a billing or a refund as determined by the accounting reconciliation. During the Paid Loss Period billings or refunds for rating plan accountings will be limited to the sum of (i) past due loss fund payments required under Article 4 hereof, (ii) interest due pursuant to Article 6 hereof, and (iii) the amount determined by the following formula:

the sum of paid losses + paid allocated expenses + retention + premium taxes + excess loss premiums + claim handling expenses (paid/incurred) + regulatory assessments + nonrateable elements MINUS amounts paid to the Insurer under this Agreement as of the Evaluation Date.

The balloon installment shall be adjusted to equal the remaining balance due and payable (i.e., adjusted premium incurred less payments to date adjusted for billings and refunds). The Insured shall pay to the Insurer any amounts billed to it under this Article 3 within thirty (30) days of the billing date.

EXHIBIT
A

4. **LOSS REIMBURSEMENT** See Addendum Number 1

The Insured agrees to establish with the Insurer as of the date of inception of the Policies an initial and minimum loss fund of $ _____ . Losses paid, allocated claim expenses paid and claim handling expenses (paid/incurred) by the Insurer under the Policies will be drawn from the loss fund and (monthly/quarterly) billings will be made by the Insurer to the Insured to replenish the loss fund and maintain the loss fund balance in the amount of (two and one-half/one and one-half) times the prior billing subject to the loss fund minimum.

The initial loss fund payment shall be paid by the Insured to the Insurer not later than the Policies' inception date and each subsequent loss fund reimbursement payment shall be paid by the Insured to the Insurer within fifteen (15) days of the billing date thereof. Loss fund replenishment and maintenance billings to the Insured will continue through the Paid Loss Period which shall commence at the Policies' inception and end on _____ (the "Paid Loss Period").

5. **PAID LOSS RECONCILIATION**

As of the end of the Paid Loss Period, the Insurer will prepare a final paid loss reconciliation between the Insured and the Insurer. Upon completion of this reconciliation, the Insurer will close out the loss fund, if any, and shall bill the Insured for the difference between the Insured's payments-to-date and the adjusted premium incurred under the Policies. The Insured agrees to pay the Insurer any amounts billed to it under this Article 5 within (30) days of the billing date. Thereafter, annual incurred loss rating plan accounting adjustments under the Policies will commence and continue until final settlement under the Policies.

6. **INTEREST ON PAST DUE PAYMENTS**

At the option of the Insurer interest shall accrue on any amounts not paid when due under this Agreement at the rate based on the daily equivalent of the sum of 5% per annum plus the ninety (90) day Commercial Paper Dealer Rate in effect on the first Friday of each month such payment(s) is/are past due, as published in the Midwest Edition of The Wall Street Journal under the section entitled "Money Rates" or any successor section. Interest will compound daily until full payment is received. All interest that has accrued on such past due payments will be billed as soon as practicable and shall be payable within fifteen (15) days of the billing date.

7. **LETTER OF CREDIT**

The Insured shall deliver to the Insurer at the address set forth in Article 16 hereof by registered mail (return receipt requested) or overnight mail, within thirty (30) days after the date of inception of the Policies, a clean unconditional irrevocable Letter of Credit in form acceptable to the Insurer in its sole discretion, issued by an institution acceptable to the Insurer (the "Credit"), accumulating automatically in four quarterly installments as follows:

Date Due	Installment Amount	Face Value of Credit
6/30/93	$271,777	$ 271,777
9/30/93	$271,777	$ 543,554
12/30/93	$271,777	$ 815,331
3/30/94	$271,777	$1,087,108

As of each rating plan accounting during the Paid Loss Period, the remaining unpaid premium balance (i.e., "balloon installment amount") under the Policies will be determined by the Insurer and notice of this balance will be evidenced by the formal rating plan accounting reconciliation furnished by the Insurer. The Insured agrees to cause the Credit to be amended to the amount of any such balance with thirty (30) days of notification thereof. The Credit shall remain in force for an initial period of one (1) year after the date of inception of the Policies and shall be automatically renewable for terms of twelve months until full payment has been received by the Insurer pursuant to the final paid loss reconciliation described in Article 5 hereof. The institution issuing the Credit shall agree to provide the Insurer with written notice at least sixty (60) days prior to expiration of the Credit in the event the Credit will not be renewed.

If a Credit satisfactory to the Insurer is not received within thirty (30) days after inception of the policy year subject to this Agreement, then this Agreement may at the sole option of the Insurer and without notice to the Insured be terminated by the Insurer. In the event this Agreement is terminated pursuant to the previous sentence, the full estimated standard premium under this Agreement shall be due and payable on a pro rata basis over the earlier of the remainder of the period of the Policies or twelve (12) months.

8. **MATERIAL CHANGE IN OWNERSHIP**

In the event there is a material change in ownership of the Insured, meaning any of the following:

A. an investor or a group of affiliated investors has acquired more than 30% of the voting shares of the Insured, or

B. the Board of Directors has authorized a merger, consolidation, reorganization or the liquidation of the Insured, or

C. the Board of Directors has authorized the sale of substantially all of the assets of the Insured, or

D. the Board of Directors has authorized a distribution of assets to shareholders in excess of 25% of the Insured's assets

the Insurer shall have the right to require the Insured to increase the Credit by an amount to be determined by the Insurer, which amount shall not exceed the maximum premium amount set forth in the Confirmation Letter.

9. EVENTS OF DEFAULT

The following shall be considered events of default:

A. The Insured shall cease doing business as a going concern, make an assignment for the benefit of creditors, generally not pay its debts as they become due or admit in writing its inability to pay its debts as they become due, file a petition commencing a voluntary case under any chapter of the Bankruptcy Code, 11 U.S.C. Sec. 101 et seq. (the "Bankruptcy Code"), be adjudicated an insolvent, file a petition seeking for itself a reorganization, arrangement, composition, readjustment, rehabilitation, liquidation, dissolution or similar arrangement under the Bankruptcy Code or any other present or future statute, law, rule or regulation; or a case, proceeding or other action shall be instituted against the Insured, seeking the entry of an order for relief against the Insured as a debtor, to adjudicate the Insured as a bankrupt or insolvent, or seeking reorganization, arrangement, readjustment, rehabilitation, liquidation, dissolution or similar relief against the Insured under the Bankruptcy Code or other present or future statute, law, rule or regulation, which case, proceeding or other action either results in such entry, adjudication, relief or issuance or entry of any other order of judgment having a similar effect, or remains undismissed for ninety (90) days; or

B. Any amount due to the Insurer from the Insured is not paid when due under the terms of this Agreement; or

C. The Insured cancels the Policies; or

D. The Insurer receives written notice from the issuing institution that the Credit will not be renewed and/or the Insurer is not in possession of satisfactory replacement Credit thirty (30) days prior to expiration of the Credit; or

E. The Credit is not amended to an amount required under the terms of Articles 7 and 8 hereof within thirty (30) days after notification thereof.

~~The Insurer may be unable to pay any drawing amount in the agencies~~

* (4) upon fifteen (15) days prior written notice, drawing on the credit in the full amount or lesser amount thereof.

10. REMEDIES

~~Upon the occurrence of an event of default the Insurer may, in addition to any and all other rights and remedies available to it, declare the Policies to be terminated upon the expiration of ten (10) days after notice of termination is given to the Insured (or any longer period required by applicable state law) whereupon the Insurer shall have no further obligation under the Policies provided hereunder, notwithstanding any of the exceptions in paragraph [illegible] hereof, regardless of whether any amount is then due and payable under the Policies or not exceed nonetheless all installments of premium and other sums which may become payable by the Insured hereunder shall without further demand become immediately due and payable.~~

B. Upon the occurrence of an event of default the Insurer shall have the options of (1) converting the program to an incurred loss retrospective plan and/or (2) performing a final rating plan accounting using the ultimate loss amount as determined by the Insurer pursuant to Article 11 hereof and/or (3) billing the Insured for any amount determined by the Insurer to be due and/or (4) ~~drawing on the Credit in an amount equal thereof.~~ *See (4) above

~~Notwithstanding that the Insurer draws upon the Credit, the Credit remains the method applied first to the payment or reimbursement of the costs, expenses and fees for collection provided for in Article 12 hereof, second to the payment of the Insured's obligations hereunder, third to the payment of all past due installments of premium hereunder, fourth to the payment of all other sums which may become payable by the Insured hereunder, fifth to the payment of the ultimate loss amount as determined by the Insurer pursuant to Article 11 hereof, sixth to the payment of any amount determined by the Insurer to be due and/or sum.~~

~~Upon the occurrence of an event of default or any time thereafter and remaining in force, the Insurer may at its sole discretion, without any notice to the Insured, set off any amounts due from the Insurer to the Insured under or in connection with the Policies against any amounts then due or which may become due from the Insured to the Insurer under or in connection with the Policies.~~

~~Except as provided in Article 11 hereof, the Insurer may, at its sole discretion, and all other sums which may become payable to the Insurer by the Insured, the full amount of the ultimate loss amount, which shall become immediately payable under the Policies, as estimated and determined by the Insurer as and when the Insurer calculates the ultimate loss amount in accordance with Article 11 hereof. The estimate and determination by the Insurer of the ultimate loss amount payable hereunder shall be conclusive and binding upon the Insured.~~

11. DETERMINATION OF ULTIMATE LOSS AMOUNT

If the Insurer shall elect to determine the ultimate loss amount for purposes of Article 10 hereof, the Insurer shall at its sole discretion determine the ultimate loss amount through the use of generally accepted actuarial methods which take into consideration the following factors: the Insured's expected loss ratio at the time of quotation, loss development factors generally used by the Insurer, and loss development factors based on the Insured's individual loss history.

12. COLLECTION CHARGES

~~In the event that the Insurer undertakes any effort to collect any amounts due from the Insured under this Agreement, the Insured shall reimburse the Insurer for the reasonable costs and fees of such collection, including without limitation, such costs, expenses and fees incurred in the prosecution of any suit, including attorney's fees, whether such suit is terminated on the merits by judgment or otherwise, and such costs, expenses and fees shall be reimbursable to the Insurer for reasonable costs, expenses and fees incurred in defending such suit.~~

13. ASSIGNMENT

This Agreement is binding upon and shall inure to the benefit of the respective successors in interest of the Insurer and the Insured; provided, however, neither party may assign its rights, duties or responsibilities under this Agreement without the written consent of the other.

14. NO REMEDY EXCLUSIVE

No remedy conferred upon or reserved to the Insurer or the Insured is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission by the Insurer or Insured to exercise any right or power accruing upon any default by the Insured or Insurer shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed to be expedient. The rights and remedies of the Insurer or Insured hereunder shall survive any termination of this Agreement or the Policies arising from an event of default.

15. GOVERNING LAW

This Agreement shall be construed and governed in all respects by the laws of the State of Illinois.

16. NOTICE

Any and all notices required or permitted hereunder shall be forwarded by U.S. mail (except as provided for in Article 7 hereof) addressed as follows:

If to the Insurer:

The CNA Insurance Companies
CNA Plaza
Chicago, IL 60685

ATTN: Manager, Alternative Funding Analysis and Control
National Accounts - 30 South

If to the Insured:

W. R. Grace & Co.

One Town Center Road

Boca Raton, Fl. 33486

ATTN: Mr. Jeffrey M. Posner,
Director, Corporate Risk Manager

~~17. SEVERABILITY~~

~~[illegible] shall not serve to invalidate any other Article of this Agreement. [illegible] any Article is adjudged to be unlawful or invalid, such unlawfulness or invalidity [illegible] such Article.~~

IN WITNESS WHEREOF, the Insurer and the Insured have caused this Agreement to be duly executed by their respective duly authorized officers in multiple originals effective as of the date and year first above stated.

INSURED

W. R. Grace & Co.
(print or type corporate name of Insured)

By: [signature]
(signature of officer)

Jeffrey M. Posner
(print or type officer's name)

Title: Assistant Vice President/Director Corporate Risk Management

Date: January 27, 1994

Attest: [signature]
~~Secretary~~

INSURER

Transportation Insurance Company
(print or type corporate name of Insurer)

By: [signature]
(signature of officer)

RICHARD E. DECHENE
(print or type officer's name)

Title: Vice President

Date: 9/25/93

Attest: [signature]
Asst. Secretary

ADDENDUM NO. 1 TO FINANCE AGREEMENT

PAID LOSS RATING PLAN

BETWEEN W.R. GRACE & CO. AND

TRANSPORTATION INSURANCE COMPANY

DATED JUNE 30, 1993

It is agreed and understood that:

Article 3 "Rating Plan Accounting," is hereby deleted in its entirety and replaced with the following:

3. RATING PLAN ACCOUNTING

As of eighteen (18) months after the Policies' inception, or such other period as may be provided in an endorsement(s) to the Policies, and annually thereafter (the "Evaluation Date") until final settlement, the Insurer will prepare a rating plan accounting reconciliation between the Insured's payments-to-date and the adjusted premium incurred under the Policies, determined in accordance with the rating plan. Upon completion of each accounting, the Insurer shall send to the Insured notice of the accounting in the form of either a billing or a refund as determined by the accounting reconciliation. During the Paid Loss Period billings or refunds for rating plan accountings will be limited to the sum of (i) past due loss fund payments required under Article 4 hereof, (ii) interest due pursuant to Article 6 hereof, and (iii) the amount determined by the following formula:

the sum of paid losses + paid allocated expenses for Workers' Compensation, Employers' Liability and Stop Gap Liability + retention + premium taxes + excess loss premiums + claim handling expenses paid + regulatory Assessments + nonrateable elements MINUS amounts paid to the Insurer under this Agreement as of the Evaluation Date.

The balloon installment shall be adjusted to equal the remaining balance due and payable (i.e., adjusted premium incurred less payments to date adjusted for billing and refunds). The Insured shall pay to the Insurer any amounts billed to it under this Article 3 within thirty (30) days of the billing date.

Article 4 "Loss Reimbursement," is hereby deleted in its entirety and replaced with the following:

4. LOSS FUND CHARGE

The Insurer shall bill the Insured each quarter for the prior quarter's paid losses, paid allocated claim expenses for Workers' Compensation, Employer's Liability and Stop Gap Liability, claims handling expenses paid and loss fund charge. The loss fund charge compensates the Insurer for use of its funds to pay the Insured's losses and expenses prior to receiving reimbursement from the Insured. The loss fund charge shall be computed at 100% of each quarterly paid loss and applicable allocated expenses and Claim Handling expenses amount multiplied by the ninety (90) day Commercial Paper Dealer Rate, divided by four, in effect on the first Friday of the quarter in which the billed losses occurred as published in the Midwest edition of The Wall Street Journal under the section entitled "Money Rates" or any successor section. The Insurer will overnight mail each such quarterly bill to Marsh & McLennan on the date billed by the Insurer. The Insured shall pay to the Insurer any amounts billed to it under this Article 4, within fifteen (15) days of the billing date. Such billings to the Insured will continue through the paid loss period commencing at the Policies' inception and ending on June 30, 1998 (the "Paid Loss Period").

As of each annual reconciliation during the Paid Loss period, the Insurer will calculate interest due as described in Article 6 hereof on any amounts billed to the Insured under this Article that are not paid when due. Interest will accrue from the due date of the billing to the actual date payment was received by the Insurer. The Insured shall pay any interest billed to it under the provisions of this Article within thirty (30) days of the billing date.

Notwithstanding any other provision of this Agreement regarding the due date of amounts billed to the Insured by the Insurer, in the case of disputed amounts resulting from an error or omission of the Insurer, the Insured shall pay such disputed amounts within fourteen (14) days after the Insurer has billed the Insured for such disputed amounts after resolution thereof.

IN WITNESS WHEREOF, the Insurer and the Insured have caused this Addendum No. 1 to be duly executed by their respective duly authorized officers in multiple originals effective as of the date of this Addendum.

INSURED	INSURER
W. R. GRACE & CO.	TRANSPORTATION INSURANCE COMPANY
By: (signature of officer)	By: (signature of officer)
Jeffrey M. Posner (print or type officer's name)	RICHARD E. DeCHENE (print or type officer's name)
Title: Asst. Vice President/Director Corporate Risk Management	Title: Vice President
Date: January 27, 1994	Date: 9/28/93
Attest: Pat N. Cook ~~Secretary~~	Attest: W V Rumble Asst. Secretary

DEDUCTIBLE REIMBURSEMENT CONTRACT
(WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY)

THIS AGREEMENT, DATED JUNE 30, 1993 IS MADE BETWEEN CONTINENTAL CASUALTY COMPANY, CNA PLAZA, CHICAGO, ILLINOIS 60685 (HEREINAFTER CALLED "CNA") AND, W.R. GRACE & CO. (HEREINAFTER CALLED THE "CLIENT").

WHEREAS, CNA HAS ISSUED TO THE CLIENT THE INSURANCE POLICY OR POLICIES (HEREINAFTER CALLED THE "POLICIES") DESCRIBED IN THE SCHEDULE OF THIS AGREEMENT WHICH INCLUDES A DEDUCTIBLE ENDORSEMENT (HEREINAFTER CALLED THE "DEDUCTIBLE") IN AN AMOUNT STATED IN THE ATTACHED SCHEDULE AND

WHEREAS, THE CLIENT SHALL REIMBURSE CNA FOR ALL CLAIM PAYMENTS WITHIN THE DEDUCTIBLE.

NOW, THEREFORE, CNA AND THE CLIENT MUTUALLY AGREE AS FOLLOWS:

1. (a) CNA AGREES TO EXAMINE ALL CLAIM AND LOSS REPORTS OF INJURY, SICKNESS, DISEASE OR DEATH INCURRED DURING THE TERM OF THIS CONTRACT SUSTAINED BY AN EMPLOYEE OF THE CLIENT FOR WHICH BENEFITS ARE OR MAY BE PAYABLE UNDER A STATE OR OCCUPATIONAL DISEASE LAW OR FOR WHICH THE CLIENT AS AN EMPLOYER MAY BE LIABLE FOR DAMAGES COVERED BY EMPLOYERS' LIABILITY INSURANCE, ALL AS MORE FULLY DESCRIBED IN THE POLICIES AND IN THE SCHEDULE.

   (b) CNA AGREES TO CONDUCT AN INVESTIGATION OF THE REPORTED CLAIMS AND LOSSES QUALIFYING UNDER (1. (a)) ABOVE TO THE EXTENT DEEMED NECESSARY IN THE JUDGMENT OF CNA TO ADJUST AND HANDLE TO A CONCLUSION THOSE CLAIMS CNA IN ITS JUDGMENT BELIEVES THE CLIENT IS LEGALLY OBLIGATED TO PAY INCLUDING THE NECESSARY PREPARATION FOR
   ANY SUBROGATION OR CONTRIBUTION ACTION WHICH IN THE JUDGMENT OF CNA MAY INURE TO THE BENEFIT OF THE CLIENT.

   (c) CNA AGREES TO PERFORM ALL REASONABLE AND NECESSARY ADMINISTRATIVE AND CLERICAL WORK IN CONNECTION WITH CLAIM OR LOSS REPORTS QUALIFYING UNDER PROVISIONS (1. (a)).

   (d) CNA AGREES TO ADJUST, SETTLE, OR RESIST ALL QUALIFYING CLAIMS AND LOSSES AND LITIGATION ARISING THEREFROM WITHIN THE DISCRETIONARY SETTLEMENT AUTHORITY LIMIT.

2. THE CLIENT SHALL BE CHARGED A LOSS FUND CHARGE TO COMPENSATE CNA FOR LOSS OF USE OF ITS FUNDS FOR PAYING THE CLIENTS' CLAIM PAYMENTS AND ALLOCATED CLAIM EXPENSES PRIOR TO RECEIVING REIMBURSEMENT. THIS LOSS FUND CHARGE SHALL BE COMPUTED AT 100% OF EACH QUARTER'S BILLING DESCRIBED IN PROVISION 3 (a), 3 (b) AND 3 (c) MULTIPLIED TIMES ONE-FOURTH (-1/4) OF THE 90 DAY COMMERCIAL PAPER DEALER RATE APPLICABLE TO THE FIRST FRIDAY OF THE FIRST MONTH OF THE QUARTER BEING BILLED AS PUBLISHED IN

EXHIBIT
B

THE MIDWEST EDITION OF THE WALL STREET JOURNAL UNDER THE SECTION ENTITLED "MONEY RATES" OR ANY SUCCESSOR SECTION.

3. CNA WILL PROVIDE THE CLIENT WITH A QUARTERLY REIMBURSEMENT STATEMENT (HEREINAFTER CALLED THE "STATEMENT") FOR THE FOLLOWING ITEMS:

   (a) CLAIM PAYMENTS AND ALLOCATED CLAIM EXPENSES DURING THE PERIOD COVERED BY THE "STATEMENT", AND

   (b) ALL CLAIM SERVICE FEES EARNED DURING THE PERIOD COVERED BY THE STATEMENT, AND

   (c) ALL PREMIUM, SALES OR SERVICES TAXES OR ASSESSMENTS INCURRED DURING THE PERIOD COVERED BY THE STATEMENT, OR IMPOSED UPON CNA DURING SUCH PERIOD IF NOT PREVIOUSLY PAID BY THE CLIENT, ON CLAIM PAYMENTS WITHIN THE DEDUCTIBLE ON ALL ALLOCATED CLAIM EXPENSES AND ON ALL CLAIM SERVICE FEES, AND

   (d) LOSS FUND CHARGE AS PROVIDED UNDER PROVISION 2.

   CNA WILL OVERNIGHT THE QUARTERLY STATEMENT COVERING ALL MONIES DUE TO CNA FOR THE POLICY PERIOD JUNE 30, 1993 TO JUNE 30, 1994 TO W.R. GRACE & CO. WITH TWO COPIES TO MARSH & MCLENNAN, INC. ON THE DATE BILLED BY CNA. THE CLIENT WILL REMIT TO CNA PAYMENT WITHIN FIFTEEN (15) DAYS AFTER THE BILLING DATE, AFTER WHICH PAYMENT IS PAST DUE; UNLESS AN ERROR OR OMISSION WHICH IS THE FAULT OF CNA IS THE PRINCIPAL CAUSE OF THE ITEMS AND THE AMOUNTS IN DISPUTE, IN WHICH CASE INTEREST BEGINS TO ACCRUE FOURTEEN (14) DAYS AFTER CNA HAS BILLED THE CLIENT FOR OPEN ITEMS AFTER RESOLUTION THEREOF.

   PAYMENTS SHALL BE REMITTED BY THE CLIENT VIA WIRE TRANSFER TO:

   MONEY TRANSFER DEPARTMENT
   HARRIS TRUST & SAVINGS BANK
   111 WEST MONROE
   CHICAGO, ILLINOIS 60690
   ACCT. OF CONTINENTAL CASUALTY CO.
   NO.: 000-432-5

AS OF EIGHTEEN (18) MONTHS FOLLOWING THE EFFECTIVE DATE OF THIS AGREEMENT, AND ANNUALLY THEREAFTER, DURING THE PAID LOSS PERIOD, THE INSURER WILL CALCULATE INTEREST DUE AS DESCRIBED IN ARTICLE 10 HEREOF ON ANY AMOUNTS BILLED TO THE INSURED UNDER THE PROVISIONS OF ARTICLE 3 THAT ARE NOT PAID WHEN DUE. INTEREST WILL ACCRUE FROM THE DUE DATE OF THE BILLING TO THE ACTUAL DATE PAYMENT WAS RECEIVED. THE INSURED SHALL PAY TO THE INSURER ANY INTEREST AMOUNTS BILLED TO IT UNDER THIS ARTICLE WITHIN THIRTY (30) DAYS OF THE BILLING DATE.

CNA SHALL CONTINUE TO SUBMIT SUCH STATEMENTS UNTIL ALL CLAIMS

SERVICED UNDER THIS AGREEMENT ARE CLOSED OR UNTIL THE PARTIES AGREE UPON AN EARLIER DATE FOR THE FINAL STATEMENT.

4. THE CLIENT HEREBY GRANTS CNA COMPLETE AND SOLE AUTHORITY AND DISCRETION TO SETTLE CLAIMS FOR AN AMOUNT OF $5,000.00 OR LESS. HOWEVER, CNA RESERVES THE RIGHT TO SETTLE A CLAIM IN EXCESS OF ITS DISCRETIONARY AUTHORITY, IF IN ITS SOLE OPINION, FAILURE TO SETTLE WILL SUBJECT CNA TO FINES, PENALTIES OR DAMAGES (INCLUDING BUT NOT LIMITED TO PUNITIVE AND EXEMPLARY DAMAGES) FOR UNFAIR, IMPROPER OR TORTIOUS CLAIM HANDLING ACTS, OMISSIONS OR PRACTICES.

5. CLAIM PAYMENTS WILL BE PAID BY AUTHORIZED CNA PERSONNEL USING CHECKS DRAWN ON CNA OR DRAFTS.

6. CNA WILL MAINTAIN A FILE FOR ALL CLAIMS SUBJECT TO THIS AGREEMENT. SUCH FILE SHALL CONTAIN ALL DOCUMENTS WHICH HAVE COME INTO THE POSSESSION OF CNA RELATING TO SUCH CLAIMS. THE CLIENT SHALL HAVE THE RIGHT TO INSPECT THE FILES AT ANY TIME DURING REGULAR BUSINESS HOURS OF CNA AT THE LOCATION FROM WHICH CLAIMS ARE BEING SERVICED OR SUCH OTHER MUTUALLY AGREED UPON LOCATION.

7. CANCELLATION OF THE POLICY(IES) BY EITHER THE CLIENT OR CNA OR THE EXPIRATION THEREOF DOES NOT ABSOLVE THE CLIENT OF ITS OBLIGATION TO PAY CNA AMOUNTS INCURRED AS OF THE CANCELLATION OR TERMINATION DATE NOR ANY AMOUNTS WHICH MAY SUBSEQUENTLY BECOME DUE IN CONNECTION WITH CLAIM SERVICES PERFORMED FOR THE CLIENT.

8. CNA'S FAILURE TO SETTLE A CLAIM WITHIN THE AMOUNT OF ITS DISCRETIONARY AUTHORITY SHALL NOT SUBJECT CNA TO ANY LIABILITY TO THE CLIENT IF THE CLAIM IS SUBSEQUENTLY SETTLED OR JUDGMENT IS RENDERED FOR AN AMOUNT GREATER THAN AN EARLIER SETTLEMENT OFFER.

   CLIENT ABSOLVES CNA FROM ANY AND ALL LIABILITIES TO CLIENT ARISING OUT OF ANY INADVERTENT OR GOOD FAITH ERROR OR OMISSION OF CNA, ITS OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES OR COUNSELS IN THE PERFORMANCE OF THEIR DUTIES AND POWERS UNDER THIS AGREEMENT UNLESS SUCH ERROR OR OMISSION CONSTITUTES GROSS NEGLIGENCE; INCLUDING (BUT NOT LIMITED TO) THE SETTLEMENT OF CLAIMS IN EXCESS OF ITS DISCRETIONARY AUTHORITY, THE FAILURE TO CONSULT AND COMMUNICATE WITH CLIENT, THE FAILURE OR TIMELY FAILURE TO COMMUNICATE SETTLEMENT OFFERS TO CLIENT, THE FAILURE TO RETAIN SKILLED AND EXPERIENCED COUNSEL OR THE FAILURE TO SUPERVISE COUNSEL; PROVIDED ALWAYS THAT SUCH ERROR OR OMISSION IS INADVERTENT OR IN GOOD FAITH, AND DOES NOT CONSTITUTE GROSS NEGLIGENCE.

9. IF CNA RECOMMENDS SETTLEMENT OF A CLAIM TO THE CLIENT FOR AN AMOUNT IN EXCESS OF CNA'S DISCRETIONARY AUTHORITY AND IF THE CLIENT REFUSES TO AUTHORIZE SUCH SETTLEMENT, THEN THE CLIENT SHALL INDEMNIFY AND HOLD CNA HARMLESS FOR ANY COMPENSATORY AND PUNITIVE DAMAGES, INTEREST, AND DEFENSE FEES, COST AND EXPENSES FOR WHICH CNA IS FOUND LIABLE TO A CLAIMANT BECAUSE CNA HAS ENGAGED IN WRONGFUL CLAIMS HANDLING. CNA SHALL BE INDEMNIFIED AND HELD HARMLESS ONLY TO THE

EXTENT THAT ITS LIABILITY IS ATTRIBUTABLE TO CLIENT'S FAILURE TO AUTHORIZE SETTLEMENT. THIS PROVISION SURVIVES THE TERMINATION OF THIS AGREEMENT. AMOUNTS PAYABLE TO CNA BY THE CLIENT UNDER THIS PROVISION ARE DUE WITHIN FIFTEEN (15) DAYS AFTER CNA GIVES NOTICE TO THE CLIENT OF THE AMOUNT DUE, AFTER WHICH TIME PAYMENT IS CONSIDERED PAST DUE.

10. INTEREST SHALL ACCRUE ON EACH PAST DUE PAYMENT BASED ON THE DAILY EQUIVALENT OF 5% PER ANNUM PLUS THE NINETY (90) DAY COMMERCIAL PAPER DEALER RATE IN EFFECT ON THE FIRST FRIDAY OF EACH MONTH SUCH PAYMENT(S) IS/ARE PAST DUE, AS PUBLISHED IN THE MIDWEST EDITION OF THE WALL STREET JOURNAL UNDER THE SECTION ENTITLED "MONEY RATES" OR ANY SUCCESSOR SECTION. INTEREST WILL BE COMPOUNDED DAILY UNTIL FULL PAYMENT IS RECEIVED. ALL INTEREST THAT HAS ACCRUED ON SUCH PAST DUE PAYMENTS WILL BE BILLED AS SOON AS PRACTICABLE AND SHALL BE PAYABLE WITHIN FIFTEEN (15) DAYS OF THIS BILLING DATE, AFTER WHICH TIME PAYMENTS WILL BE CONSIDERED PAST DUE AND INTEREST WILL ACCRUE AS DESCRIBED ABOVE.

11. THIS AGREEMENT IS BINDING UPON AND INURES TO THE BENEFIT OF THE SUCCESSORS IN INTEREST OF CNA AND THE CLIENT. HOWEVER, NEITHER PARTY MAY ASSIGN ITS RIGHTS, DUTIES OR RESPONSIBILITIES UNDER THIS AGREEMENT WITHOUT THE WRITTEN CONSENT OF THE OTHER.

12. THE FAILURE OF EITHER PARTY TO INSIST UPON STRICT PERFORMANCE OF ANY DUTY OR RESPONSIBILITY OF THE OTHER PARTY UNDER THE AGREEMENT SHALL NOT BE DEEMED A WAIVER OF SUCH DUTY OR RESPONSIBILITY OR CREATE AN ESTOPPEL AGAINST SUCH PARTY.

13. AS PARTIAL CONSIDERATION FOR THIS AGREEMENT, THE CLIENT AGREES TO PROVIDE CNA WITH A CLEAN IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT (HEREINAFTER CALLED THE "CREDIT"), THROUGH AN INSTITUTION ACCEPTABLE TO CNA. ACCUMULATING AUTOMATICALLY IN FOUR (4) QUARTERLY INSTALLMENTS AS FOLLOWS:

DUE DATE	INSTALLMENT AMOUNT	FACE VALUE OF CREDIT
06/30/93	$1,714,284	$1,714,284
09/30/93	$1,714,285	$3,428,569
12/30/93	$1,714,285	$5,142,854
03/30/94	$1,714,285	$6,857,139

THE CREDIT SHALL REMAIN IN FORCE UNTIL JUNE 30, 1994 AND BE AUTOMATICALLY RENEWABLE FOR TERMS OF TWELVE MONTHS. A PROVISION MUST BE INCLUDED WHEREBY THE ISSUING INSTITUTION AGREES TO PROVIDE CNA WITH WRITTEN NOTICE AT LEAST SIXTY (60) DAYS PRIOR TO EXPIRATION IN THE EVENT THE CREDIT WILL NOT BE RENEWED. AS OF EIGHTEEN (18) MONTHS AFTER THE DATE OF THIS AGREEMENT AND ANNUALLY THEREAFTER, (THE EVALUATION DATES,) THE CREDIT WILL BE ADJUSTED TO REFLECT OPEN CASE RESERVES AS OF EACH EVALUATION DATE AS MUTUALLY AGREED BETWEEN CNA AND CLIENT WHICH AGREEMENT SHALL NOT BE UNREASONABLY WITHHELD. THE CLIENT AGREES TO EXTEND OR REPLACE THE CREDIT TO EQUAL ANY SUCH

AMOUNT WITHIN THIRTY (30) DAYS NOTIFICATION THEREOF.

IN THE EVENT THERE IS A MATERIAL CHANGE IN OWNERSHIP OF THE CLIENT, MEANING ANY OF THE FOLLOWING:

A. AN INVESTOR OR A GROUP OF AFFILIATED INVESTORS HAS ACQUIRED MORE THAN 30% OF THE VOTING SHARES OF THE CLIENT, OR

B. THE BOARD OF DIRECTORS HAS AUTHORIZED A MERGER, CONSOLIDATION, REORGANIZATION WHICH WOULD RESULT IN A NEW INVESTOR OR A GROUP OF AFFILIATED INVESTORS ACQUIRING MORE THAN 30% OF THE VOTING STOCK OF THE CLIENT OR THE LIQUIDATION OF THE CLIENT, OR

C. THE BOARD OF DIRECTORS HAS AUTHORIZED THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE CLIENT, OR

D. THE BOARD OF DIRECTORS HAS AUTHORIZED A DISTRIBUTION OF ASSETS TO SHAREHOLDERS IN EXCESS OF 25% OF THE CLIENT'S ASSETS.

CNA SHALL HAVE THE RIGHT TO REQUIRE THE CLIENT TO INCREASE THE CREDIT BY AN AMOUNT TO BE DETERMINED BY CNA, WHICH AMOUNT SHALL NOT EXCEED THE ULTIMATE PROJECTED LOSSES AS DETERMINED BY CNA, THROUGH THE USE OF GENERALLY ACCEPTED ACTUARIAL METHODS WHICH TAKE INTO CONSIDERATION THE FOLLOWING FACTORS; THE CLIENT'S EXPECTED LOSSES AT THE TIME OF QUOTATION, AND LOSS DEVELOPMENT FACTORS GENERALLY USED BY CNA, AND BASED ON THE CLIENT'S INDIVIDUAL LOSS HISTORY. WHEN COMBINED WITH THE CREDIT PROVISIONS SET FORTH IN CLAIM SERVICE AGREEMENT NO. 202 514 778, CLAIM SERVICE AGREEMENT NO. 002 514 779 AND CLAIM SERVICE AGREEMENT (INSURANCE PLANS), ALL DATED JUNE 30, 1993, THE AMOUNT DETERMINED BY CNA SHALL NOT RESULT IN THE COMBINED AMOUNTS EXCEEDING THE PLAN MAXIMUM LESS ALL PAYMENTS TO DATE AS SET FORTH IN THE PLAN MAXIMUM AGREEMENT.

14. CNA SHALL HAVE THE OPTION OF DRAWING ON THE CREDIT FOR THE FULL AMOUNT THEREOF OR A LESSER AMOUNT IN THE EVENT:

A. THE CLIENT COMMITS AN ACT OF INSOLVENCY OR BANKRUPTCY (HOWEVER EXPRESSED OR INDICATED), INCLUDING BUT NOT LIMITED TO THE MAKING OF AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, ENTERING INTO A COMPOSITION OF DEBTS WITH CREDITORS OR NOT PAYING OR ADMITTING IN WRITING ITS INABILITY TO PAY ITS DEBTS GENERALLY AS THEY BECOME DUE, OR THE CLIENT OR ANY OF ITS CREDITORS FILES A PETITION IN A COURT OF COMPETENT JURISDICTION SEEKING LIQUIDATION, REORGANIZATION, ARRANGEMENT, REHABILITATION OR OTHER RELIEF FROM CREDITORS; WHICH IN THE CASE OF A CREDITOR'S ACTION IS NOT DISMISSED OR TERMINATED WITHIN 90 DAYS; OR

B. ANY PAYMENT DUE CNA FROM THE CLIENT ATTRIBUTED TO THE POLICY PERIOD JUNE 30, 1993 TO JUNE 30, 1994 IS PAST DUE UNDER THE TERMS OF THIS AGREEMENT, OR

C. WRITTEN NOTICE IS RECEIVED FROM THE ISSUING INSTITUTION THAT THE

CREDIT WILL NOT BE RENEWED AND/OR CNA IS NOT IN POSSESSION OF SATISFACTORY REPLACEMENT CREDIT THIRTY (30) DAYS PRIOR TO EXPIRATION; OR

D. THE AMOUNT OF THE CREDIT IS NOT ADJUSTED TO AN AMOUNT REQUIRED UNDER PROVISION 13 WITHIN THIRTY (30) DAYS NOTIFICATION THEREOF; OR

E. THE FINANCIAL CONDITION OF THE INSTITUTION ISSUING THE CREDIT BECOMES SUCH THAT IN CNA'S OPINION IT MAY BE UNABLE TO PAY ANY DRAW ON THE CREDIT AND THE CLIENT HAS BEEN NOTIFIED THAT THE INSTITUTION IS NO LONGER ACCEPTABLE AND CLIENT HAS FAILED TO REPLACE THE CREDIT WITHIN 45 DAYS AFTER NOTIFICATION. CNA WILL GIVE 15 DAYS PRIOR WRITTEN NOTICE BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) TO THE DIRECTOR OF CORPORATE RISK MANAGEMENT OF ITS INTENT TO DRAW UPON THE CREDIT AS A RESULT OF EITHER ITEMS B, D OR E ABOVE.

FAILURE BY CNA TO EXERCISE SAID OPTIONS AT ANY TIME SHALL NOT BE DEEMED AS A WAIVER BY CNA OF ITS RIGHTS HEREUNDER TO EXERCISE SUCH OPTIONS. THE RIGHTS OF CNA TO DRAW ON THE CREDIT ARE IN ADDITION TO ANY OTHER REMEDIES IT MAY HAVE AGAINST CLIENT AND NOT IN LIEU THEREOF.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT CANCELLATION OF THIS AGREEMENT BY EITHER THE CLIENT OR CNA DOES NOT RELEASE THE CLIENT FROM ITS OBLIGATION TO MAINTAIN THE CREDIT UNTIL SUCH TIME AS ALL CLAIMS ARE CLOSED. THROUGHOUT SUCH TIME CNA SHALL CONTINUE TO HAVE THE OPTION TO DRAW ON THE CREDIT SHOULD ANY CONTINGENCIES IN A, B, C, D OR E (ABOVE) TAKE PLACE.

ALL COLLATERAL INSTRUMENTS AND RELATED NOTICES SHOULD BE FORWARDED BY REGISTERED MAIL (RETURN RECEIPT REQUESTED) TO CNA ADDRESSED AS FOLLOWS:

THE CNA INSURANCE COMPANIES
CNA PLAZA
CHICAGO, ILLINOIS 60685
ATTN: MANAGER, ALTERNATIVE FUNDING ANALYSIS AND CONTROL
NATIONAL ACCOUNTS - 30 SOUTH

15. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO ALTER THE MEANING OR INTERPRETATION OF SIMILAR PROVISIONS OF PRIOR AGREEMENTS BETWEEN CNA AND SUBSIDIARIES OF THE CLIENT UNDER WHICH CNA HAS PROVIDED AND CONTINUES TO PROVIDE CLAIM SERVICES RELATING TO POLICY PERIODS COMMENCING PRIOR TO JUNE 30, 1993.

16. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED TO LIMIT THE SCOPE OF COVERAGE AFFORDED BY THE POLICY.

17. ALL NOTICES, REQUESTS, DEMANDS AND OTHER COMMUNICATIONS REQUIRED OR PERMITTED TO BE GIVEN UNDER SUCH AGREEMENTS SHALL BE DEEMED TO HAVE BEEN DULY GIVEN IF IN WRITING AND DELIVERED PERSONALLY OR BY

PREMIUM OVERNIGHT DELIVERY SERVICE, OR MAILED FIRST-CLASS, POSTAGE PREPAID, REGISTERED OR CERTIFIED MAIL, ADDRESSED AS FOLLOWS:

IF TO CLIENT:

W.R. GRACE & CO.
ONE TOWN CENTER ROAD
BOCA RATON, FL. 33486

ATTN: DIRECTOR OF CORPORATE RISK MANAGEMENT

IF TO CNA:

THE CNA INSURANCE COMPANIES
CNA PLAZA
CHICAGO, IL 60685

ATTN: MANAGER, ALTERNATIVE FUNDING ANALYSIS AND CONTROL
NATIONAL ACCOUNTS - 30 SOUTH

IN WITNESS WHEREOF, CNA AND THE CLIENT HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED BY THEIR RESPECTIVE OFFICERS IN MULTIPLE ORIGINALS EFFECTIVE AS OF THE DATE AND YEAR FIRST ABOVE STATED.

ATTEST:

CLIENT: W.R. GRACE & CO.

BY:

Jeffrey M. Posner
PRINT OR TYPE OFFICER'S NAME

TITLE: Assistant Vice President/Director Corporate Risk Management

DATE: January 27, 1994

ATTEST:

ASSISTANT SECRETARY

CNA:

BY:

RICHARD E. DeCHENE
PRINT OR TYPE OFFICER'S NAME

TITLE: VICE PRESIDENT

DATE: 9/28/93

SCHEDULE

DESCRIPTION OF POLICY AND DEDUCTIBLE

POLICY NUMBER: WC 202514764

POLICY PERIOD:

JUNE 30, 1993 TO JUNE 30, 1994

STATES WHERE DEDUCTIBLE APPLIES:

AK, AL, CO, CT, DC, FL, GA, IA, IL, IN, KY, LA, MA, MD, MI, MS, NC, NH, NM, NY, PA, RI, SC, SD, TN, TX, UT, VA, VT.

DEDUCTIBLE AMOUNT:*

$1,000,000. BODILY INJURY BY ACCIDENT - EACH ACCIDENT
$1,000,000. BODILY INJURY BY DISEASE - EACH EMPLOYEE

*W.R. GRACE & CO. WILL BE RESPONSIBLE FOR ALL ALLOCATED EXPENSE UP TO OR INCLUSIVE OF LOSS LIMIT OR WORKERS' COMPENSATION DEDUCTIBLE LIMIT.

THE WORKERS' COMPENSATION DEDUCTIBLE AMOUNT IS INCLUSIVE OR COMBINED FOR WORKERS' COMPENSATION AND WORKERS' COMPENSATION ALLOCATED CLAIM EXPENSES, EMPLOYERS LIABILITY AND EMPLOYERS LIABILITY ALLOCATED CLAIM EXPENSES ARISING OUT OF A SINGLE ACCIDENT.

ADDENDUM 1 TO DEDUCTIBLE REIMBURSEMENT AGREEMENT

DATED: JUNE 30, 1993

PROVISION 3 IS HEREBY MODIFIED TO INCLUDE:

AS OF (60 MONTHS FROM EFFECTIVE DATE) CNA WILL PREPARE AND SEND A FINAL PAID LOSS BILLING TO THE CLIENT, AND WILL ESTABLISH A LOSS FUND TO EQUAL THE DIFFERENCE BETWEEN INCURRED LOSSES AND PAYMENTS MADE TO DATE FOR PAID LOSSES. THE CLIENT AGREES TO PAY CNA ANY AMOUNTS BILLED TO IT UNDER THIS PROVISION WITHIN 30 DAYS OF THE BILLING DATE. THEREAFTER, ANNUAL INCURRED LOSS BILLINGS WILL COMMENCE AND CONTINUE UNTIL FINAL SETTLEMENT OF ALL CLAIMS UNDER THE POLICIES.

ATTEST:

Paul N. Cook

CLIENT: W.R. GRACE & CO.

BY: Jeffrey M. Posner

TITLE: Assistant Vice President/Dir Corporate Risk Management

DATE: January 27, 1994

ATTEST:

ASSISTANT SECRETARY

CNA

BY:

TITLE: VICE PRESIDENT

DATE: 9/25/93

Claim Service Agreement
(Insurance Plans)

THIS AGREEMENT, dated June 30, 1993 is made between Transcontinental Technical Services, Inc., CNA Plaza, Chicago, Illinois 60685 (hereinafter called the "Service Company") and W. R. Grace & Co. (hereinafter called the "Client").

WHEREAS, Transportation Insurance Company and Continental Casualty Company (hereinafter called "CNA") has issued to the Client the insurance policy or policies (hereinafter called the "Policies" described in Schedule A of this Agreement) which include a Loss Limitation or Deductible Endorsement in an amount stated on the attached schedule for the period of June 30, 1993 to June 30, 1994; and

WHEREAS, the Client shall be responsible for all claim payments and Allocated Claim Expenses, as defined in Paragraph 4, which do not exceed the Workers' Compensation loss limit or deductible amount except as defined in Paragraph 4 as limited by the terms and conditions of this Agreement or the Policies. The Workers' Compensation loss limit or deductible amount is inclusive or combined for both Claim and Allocated Expense arising out of a single accident and WHEREAS, the Client wants The Service Company to service those claims made against the Client which are or might be covered under the Policies as if no Workers' Compensation loss limit or deductible existed and Client agrees to refer all such claims to The Service Company.

NOW, THEREFORE, The Service Company and the Client mutually agree as follows:

1. The Service Company is obligated by the policies to service those claims made against the Client which are or might be covered under the Policies as if no deductible existed and Client agrees to refer all such claims to The Service Company.

2. The Client agrees to pay to The Service Company a claim service fee in accordance with Schedule B attached hereto. The actual fee due under the Policies may vary from the amount estimated herein according to actual loss experiences and the final terms, provisions, and endorsements contained within the Policies.

3. The Service Company will provide the Client with a Quarterly reimbursement statement (hereinafter call the "Statement") for the following items:

   (a) Claim payments and Allocated Claim Expenses paid during the period covered by the Statement, and

   (b) All claim service fees earned during the period covered by the Statement, and

EXHIBIT
C

(c) All premium, sales or services taxes or assessments incurred during the period covered by the Statement, or imposed upon The Service Company during such period if not previously paid by the Client, on claim payments within Workers' Compensation loss limit or deductible inclusive of Allocated Claim Expenses and on all claim service fees.

The Service Company will overnight the Statement for the policy period June 30, 1993 to June 30, 1994 to W.R. Grace & Co. with two copies to Marsh & McLennan, Inc. The Client will remit to the Service Company payment within fifteen (15) days after the billing date, after which payment is past due; unless an error or omission which is the fault of CNA or The Service Company is the principal cause of the items and the amounts in dispute, in which case interest begins to accrue fourteen (14) days after CNA or The Service Company has billed the Client for open items after resolution thereof.

Payments shall be remitted by the Client via Wire Transfer to:

MONEY TRANSFER DEPARTMENT
HARRIS TRUST AND SAVINGS BANK
111 WEST MONROE
CHICAGO, ILLINOIS 60690
ACCT. OF TRANSCONTINENTAL TECHNICAL SERVICES, INC.
NO.: 000-432-5

The Service Company shall continue to submit such Statements until all claims serviced under this Agreement are closed or until the parties agree upon an earlier date for the final Statement.

As of eighteen (18) months following June 30, 1993, and annually thereafter, during the Paid Loss period, The Service Company will calculate interest due as described in Article 10 hereof on any amounts billed to the Client under the provisions of Article 2 that are not paid when due. Interest will accrue from the due date of the billing to the actual date payment was received. The Client shall pay to the Service Company any interest amounts billed to it under this Article within thirty (30) days of the billing date.

4. Allocated Claim Expenses shall include all administrative agency and court costs, material and labor for photography, fees or costs for experts, costs of copies of transcripts of testimony at coroners' inquests or criminal or civil proceedings, costs of copies of public records, cost of depositions and court reporters or recorded statements and any other similar fees, costs or expenses whatsoever properly chargeable to the investigation or defense of a particular claim or to protect the right of subrogation and second injury fund recoveries of the Client. All compensation for salaried employees of CNA or The Service Company, or independent adjusters substituted therefor, (except with respect to CNA staff legal counsel), shall be excluded from Allocated Claim Expenses and shall be the sole responsibility of CNA or The Service Company.

5. The Client hereby grants The Service Company complete and sole authority and discretion to settle claims for an amount of $5,000.00 or less. However, The Service Company reserves the right to settle a claim in excess of its discretionary authority, if its reasonable opinion, failure to settle will subject The Service Company to fines, penalties or damages (including but not limited to punitive and exemplary damages) for unfair, improper or tortious claim handling acts, omissions or practices.

6. The Service Company will maintain a file for all claims subject to this Agreement. Such file shall contain all documents which have come into the possession of The Service Company relating to such claims. The Client shall have the right to inspect the files at any time during regular business hours of The Service Company at the location from which claims are being serviced or another mutually agreed upon location.

7. This Agreement applies to claims made against the Client which are or might be covered under the Policies. Following expiration of termination of the Policies, The Service Company shall continue servicing any claims which arise from accidents or occurrences during the term of the Policies until such claims are closed or the Client and the Service Company agree in writing that no additional claim services are to be rendered by The Service Company to the Client under this Agreement with respect to such claims. However, if the maximum Claim Service Fee is exhausted by payments, then this Agreement is terminated effective as of such date. Subsequent claims servicing will be covered by the terms and conditions of the Policies.

   Cancellation of Policies by either the Client or CNA or the Service Company does not absolve the Client of its obligation to pay CNA or The Service Company amounts incurred as of the cancellation date nor any amounts which may subsequently become due in connection with claim services performed for the Client.

8. The Service Company's failure to settle a claim within the amount of its discretionary authority shall not subject The Service Company to any liability to the Client if the claim is subsequently settled or judgement is rendered for an amount greater than an earlier settlement offer.
   Client also absolves The service Company from any and all liabilities to Client arising out of any inadvertent or good faith error or omission of The Service Company, its officers, employees, agents, representatives or counsel in the performance of their duties and powers under this Agreement unless such error or omission constitutes gross negligence; including (but not limited to) the settlement of claims in excess of its discretionary authority, the failure to consult and communicate with Client, the failure or timely failure to communicate settlement offers to Client, the failure to retain skilled and experienced counsel or the failure to supervise counsel; provided always that such error or omission is inadvertent or in good faith and does not constitute gross negligence.

9. If The Service Company recommends settlement of a claim to the Client for an amount in excess of The Service Company's discretionary authority and the Client refuses to authorize such settlement, then the client shall indemnify and hold The Service Company harmless for compensatory and punitive damages, interest, and defense fees, costs and expenses for which The Service Company is found liable to a claimant because The Service Company has engaged in wrongful claims handling. The Service Company shall be indemnified and held harmless only to the extent that its liability is attributable to Client's failure to authorize settlement. This provision survives the termination of this Agreement. Amounts payable to The Service Company by the Client under this provision are due within fifteen (15) days after the indemnifiable amounts are due and payable by The Service Company and The Service Company gives notice to the Client of the amount due, after which time payment is considered past due.

10. Interest shall accrue on each past due payment based on the daily equivalent of 5% per annum plus the ninety (90) day Commercial Paper Dealer Rate in effect on the first Friday of each month such payment(s) is/are past due, as published in the Midwest Edition of The Wall Street Journal under the section entitled "Money Rates" or any successor section. Interest will be compounded daily until full payment is received. All interest that has accrued on such past due payments will be billed as soon as practicable and shall be payable within fifteen (15) days as of this billing date, after which time payments will be considered past due and interest will accrue as described above.

11. As partial consideration for this Claim Service Agreement, the Client agrees to provide The Service Company with a clean, irrevocable, unconditional Letter of Credit ("hereinafter called the "Credit") through an institution acceptable to The Service Company.

    The Credit in the total amount of $418,118 will accumulate automatically in four quarterly installment of $104,529.50 each. The Credit shall become effective on June 30, 1993 and shall remain in force until June 30, 1994 and be automatically renewable for terms of twelve months.

    A provision must be included whereby the issuing institution agrees to provide The Service Company with written notice at least sixty (60) days prior to expiration in the event the Credit will not be renewed. As of eighteen months after the date of this Agreement and annually thereafter (the evaluation dates), the Credit will be adjusted to reflect open case reserves as of each evaluation date as mutually agreed between The Service Company and Client which Agreement shall not be unreasonably withheld. The Client agrees to extend or replace the Credit to equal any such amount within thirty (30) days after notification thereof.

12. In the event there is a material change in ownership of the Client, meaning any of the following:

A. An investor or group of affiliated investors has acquired more than 30% of the voting shares of the Client, or

B. The Board of Directors has authorized a merger, consolidation, reorganization which would result in a new investor or a group of affiliated investors acquiring more than 30% of the voting stock of the Client or the liquidation of the Client, or

C. The Board of Directors has authorized the sale of substantially all of the assets of the Client, or

D. The Board of Directors has authorized a distribution of assets to shareholders in excess of 25% of the Client's assets.

The Service Company shall have the right to require the Client to increase the Credit by an amount to be determined by The Service Company, which amount shall not exceed the ultimate projected losses as determined by CNA, through the use of generally accepted actuarial methods which take into consideration the following factors; the Client's expected losses at the time of quotation, and loss development factors generally used by CNA, and based on the Client's individual loss history. When combined with the credit provisions set forth in Claim Service Agreement No.: 202 514 778, Claim Service Agreement No.: 002 514 779 and Claim Service Agreement (insurance plans), all dated June 30, 1993, the amount determined by The Service Company and CNA and shall not result in the combined amounts exceeding the Plan Maximum less all payments to date as set forth in The Plan Maximum Agreement.

13. The Service Company shall have the option of drawing on the Credit for the full amount thereof or a lesser amount in the event of:

A. The Client commits any act of insolvency or bankruptcy (however expressed or indicated), including but not limited to the making of an assignment for the benefit of creditors, entering into a composition of debts with creditors or not paying or admitting in writing its inability to pay its debts generally as they become due, or the Client or any of its creditors files a petition in a court of competent jurisdiction seeking liquidation, reorganization, arrangement, rehabilitation or other relief from creditors which in the case of a creditors' action, is not dismissed or terminated within 90 days; or

B. Any payment due The Service Company from the Client attributable to the policy period from June 30, 1993 to June 30, 1994 is past due under the terms of this Agreement for a period of more than thirty (30) days; or

C. Written notice is received from the issuing institution that the Credit will not be renewed and The Service Company is not in possession of satisfactory replacement Credit thirty (30) days prior to expiration; or

D. The financial condition of the institution issuing the Credit becomes such that in The Service Company's reasonable opinion it may be unable to pay any draw on the Credit and the Client has been notified in writing that the institution is no longer acceptable and the Client has failed to replace the Credit within forty-five (45) days after notification; or

E. The amount of the Credit is not adjusted to an amount required under the terms of Provision 11 or 12 within thirty (30) days after notification thereof.

The Service Company will give 15 days prior written notice by overnight mail or courier service to the Director of Corporate Risk Management of its intent to draw upon the Credit as a result of either items B, D or E above.

Failure by The Service Company to exercise said options at any time shall not be deemed as a waiver by The Service Company of its rights hereunder to exercise such options. The rights of The Service Company to draw on the Credit are in addition to any other remedies it may have against the Client and not in lieu thereof.

The Credit and all collateral instruments and related notices should be delivered by hand or sent by registered mail (return receipt requested) to The Service Company addressed as follows:

Transcontinental Technical Services, Inc.
CNA Plaza
Chicago, Illinois 60685

Attn: Manager, Alternative Funding Analysis and Control
National Accounts - 30 South

14. This Agreement is binding upon and inures to the benefit of the successors in interest of the Service Company and the Client. However, neither party may assign its rights, duties or responsibilities under this Agreement without the prior written consent of the other. Nothing contained in this Agreement shall be construed to create any right to enforce any provision of this agreement in any party other than The Service Company, the Client and their respective successors and permitted assigns.

15. The failure of either party to insist upon strict performance of any duty or responsibility of the other under this Agreement shall not be deemed a waiver of such duty or responsibility or create an estoppel against such party.

16. This Agreement shall be construed and governed by the laws of the State of Illinois in matters relating to the lawfulness of the rate of interest which The Service Company may charge under Provision 10. (above).

17. Nothing contained in this Agreement shall be construed to limit the scope of coverage afforded by the Policies.

18. Except as otherwise specifically provided in the agreements listed in the Schedule, all notices, requests, demands and other communications required or permitted to be given under such agreements shall be deemed to have been duly given if in writing an delivered personally or by premium overnight delivery service, or delivered by mail first-class, postage prepaid, registered or certified mail, addressed as follows:

If to Client:

W.R. Grace & Co.
One Town Center Road
Boca Raton, FL 33486-1010

Attention: Director-Corporate Risk Management

If to Transcontinental Technical Services, Inc.

The CNA Insurance Companies
CNA Plaza
Chicago, Illinois 60685
Attn: Manager, Alternative Funding Analysis and Control
National Accounts - 30 South

IN WITNESS WHEREOF, The Service Company and the Client have caused this Agreement to be duly executed by their respective officers in multiple originals effective as of the date and year first above stated.

Attest:

CLIENT: W. R. GRACE & CO.

By: _____

Jeffrey M. Posner
Print Or Type Officer's Name

Title: Asst. Vice President/Director Corporate Risk Management

Date: January 27, 1994

Attest:

Transcontinental Technical Services, Inc.

By: _____

RICHARD E. DECHENE
Print Or Type Officer's Name

Title: Vice President

Date: 1/25/93

SCHEDULE A

DESCRIPTION OF POLICY
WORKERS' COMPENSATION PAID LOSS RETRO AND DEDUCTIBLE PROGRAM

POLICY NUMBER:

WC 802514761 - Statutory Workers' Compensation & Employers' Liability

GL 002514765 - Stop Gap Liability

WC 202514764 - All Other Workers' Compensation and Employers' Liability Deductible Policy

POLICY PERIOD:

June 30, 1993 to June 30, 1994

Workers' Compensation "Paid Loss Retro" Loss Limit and Workers' Compensation Deductible

Loss limit or deductible amounts

$1,000,000 Bodily Injury By Accident - Each Accident
$1,000,000 Bodily Injury By Disease - Each Employee

The Worker's Compensation "Paid Loss Retro" loss limit or deductible reimbursement amount of $1,000,000 is inclusive or combined for both Workers' Compensation claim and Workers' Compensation allocated Claim Expenses, Employers' Liability and Employers' Liability allocated claim expenses arising out of a single accident.

SCHEDULE B

WORKERS' COMPENSATION PAID LOSS RETRO AND WORKERS' COMPENSATION DEDUCTIBLE PROGRAM

DATE DUE	CLAIM SERVICE FEE
Payments must be received within 15 days of the billing date commencing at the Finance Agreement's inception and ending on June 30, 1998. Annual billings will commence as described below.	6% of applicable paid losses* billed under the terms of the Finance Agreement and Deductible Reimbursement Contract.

The Client agrees that as of (60) sixty months from the inception date of this Agreement, the Service Company shall bill the Client for the difference between the Client's payments to date and the adjusted claim service fees, as determined by the Service Company. Thereafter, annual accounting reconciliations will commence and continue until all claims serviced under this Agreement are closed or until the parties agree upon an earlier date for the final settlement.

*Applied to the first $500,000 of any one paid accident or occurrence; client will be responsible for all allocated expense up to or inclusive of the loss limit or Workers' Compensation Deductible. The Workers' Compensation Loss Limit or Deductible amount is inclusive of both claim and allocated expense amounts. 6% Claim Service Fee will apply to incurred losses after the end of the Paid Loss Period.

PLAN MAXIMUM AGREEMENT

THIS AGREEMENT, DATED AS OF JUNE 30, 1993 IS MADE BETWEEN CONTINENTAL CASUALTY COMPANY AND TRANSPORTATION INSURANCE COMPANY AND TRANSCONTINENTAL TECHNICAL SERVICES, INC. FOR ITSELF AND ON BEHALF OF ITS SUBSIDIARIES (HEREINAFTER COLLECTIVELY CALLED "CNA"), CNA PLAZA, CHICAGO, ILLINOIS 60685 AND W. R. GRACE & CO. (HEREINAFTER CALLED THE "CLIENT", A NEW YORK CORPORATION HAVING ITS PRINCIPAL EXECUTIVE OFFICES AT ONE TOWN CENTER ROAD, BOCA RATON, FL. 33486.

WHEREAS, CNA HAS ISSUED TO THE CLIENT THE INSURANCE POLICIES (HEREINAFTER CALLED THE "POLICIES") LISTED IN PART I OF THE ATTACHED SCHEDULE (HEREINAFTER CALLED THE "SCHEDULE") WHICH INCLUDE DEDUCTIBLE ENDORSEMENTS AND RETENTIONS IN THE AMOUNTS DESCRIBED IN THE SCHEDULE: AND

WHEREAS, THE CLIENT IS RESPONSIBLE TO CNA (FOR THE CLIENT AND ON BEHALF OF ITS SUBSIDIARIES AND THOSE OF ITS AFFILIATES INSURED UNDER THE POLICIES) UNDER THE AGREEMENTS LISTED IN PART II OF THE SCHEDULE TO MAKE CERTAIN PAYMENTS TO CNA UNLESS AND UNTIL THE PLAN MAXIMUM (AS HEREINAFTER DEFINED) IS ATTAINED; AND

WHEREAS, CNA AND THE CLIENT WISH TO SET FORTH THEIR AGREEMENT ON CERTAIN ITEMS WHICH CONTRIBUTE TO THE PLAN MAXIMUM AND CERTAIN ITEMS WHICH DO NOT CONTRIBUTE TO THE PLAN MAXIMUM;

NOW, THEREFORE, CNA AND THE CLIENT MUTUALLY AGREE AS FOLLOWS:

1. THE PLAN MAXIMUM IS THE SUM OF, TOTAL WORKERS' COMPENSATION PAYROLL, EXCLUDING MONOPOLISTIC PAYROLLS, ADJUSTABLE AT A RATE OF 2.364 PER $100, PLUS THE AMOUNT DERIVED BY APPLYING A RATE OF 1.916 PER $100 OF GENERAL LIABILITY PAYROLL. THE OVERALL PROGRAM MAXIMUM COST IS LIMITED TO $38,352,000, INCLUDING WORKERS' COMPENSATION RETRO, WORKERS' COMPENSATION DEDUCTIBLE, CNA CLAIM SERVICE COMPANY FEES, AND GENERAL AND AUTOMOBILE LIABILITY DEDUCTIBLE LOSSES.

2. ITEMS THAT CONTRIBUTE TO THE PLAN MAXIMUM WITH RESPECT TO THE POLICY PERIOD JUNE 30, 1993 TO JUNE 30, 1994 ARE:

   I. POLICY NOS. CCP 902514766, CCP 602514776 AND CCP 402514777 (GENERAL/AUTOMOBILE LIABILITY).

      A) ALL PAID LOSSES (BUT NOT RELATED ALLOCATED CLAIM EXPENSES) WITHIN THE DEDUCTIBLE AMOUNT OF $2,500,000 EACH OCCURRENCE SINGLE LIMIT OF LIABILITY FOR AUTOMOBILE, AND THE FIRST $5,000,000 EACH OCCURRENCE SINGLE LIMIT OF LIABILITY FOR GENERAL LIABILITY.

      B) CLAIM SERVICE HANDLING FEE EQUAL TO 7.5% OF PAID LOSSES LIMITED TO THE FIRST $1.0 MILLION OF ANY ONE CLAIM, ACCIDENT OR OCCURRENCE (EXCLUDING ANY SUCH FEE ON THE RELATED ALLOCATED CLAIM EXPENSES).

   II. POLICY NOS. WC 802514761, WC 202514764, AND GL 002514765 (WORKERS' COMPENSATION/EMPLOYER'S LIABILITY).

EXHIBIT

D

A) AUDITED RETENTION ("BASIC") PREMIUM OF THE RETROSPECTIVE RATING PLAN.

B) AUDITED EXCESS LOSS PREMIUM IN THE RETROSPECTIVE RATING PLAN.

C) ASSIGNED RISK OVERBURDEN CHARGES WERE APPLICABLE.

D) ALL LIMITED WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY RETRO LOSSES AND ALL LIMITED WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY DEDUCTIBLE LOSSES (AND ALL RELATED ALLOCATED EXPENSES) UP TO OR INCLUSIVE OF WORKERS' COMPENSATION LOSS LIMIT OR WORKERS' COMPENSATION DEDUCTIBLE LIMIT OF $1,000,000 EACH ACCIDENT) IN ACCORDANCE WITH THE POLICIES.

EL $1,000,000 PER EMPLOYEE BI BY DISEASE
$1,000,000 PER ACCIDENT BI BY DISEASE
$5,000,000 IN THE AGGREGATE

THE WORKERS' COMPENSATION LOSS LIMIT OR DEDUCTIBLE AMOUNT IS INCLUSIVE OR COMBINED PER ACCIDENT OF BOTH WORKERS' COMPENSATION CLAIM AND ALLOCATED CLAIM EXPENSE AMOUNTS.

E) CLAIM SERVICE FEES OF 6% ON WORKERS' COMPENSATION RETRO AND WORKERS' COMPENSATION DEDUCTIBLE LOSSES AND RELATED ALLOCATED CLAIM EXPENSES LIMITED TO FIRST $500,000 ANY ONE ACCIDENT OR OCCURRENCE.

F) PREMIUM, PAYROLL OR SIMILAR TAXES (ESTIMATED TO BE 5.2%).

G) AUDITED WORKERS' COMPENSATION DEDUCTIBLE PLAN PREMIUM AFTER APPLICATION OF THE DEDUCTIBLE PLAN CREDIT.

3. ITEMS THAT DO NOT CONTRIBUTE TO THE PLAN MAXIMUM ARE:

I. POLICY NOS. CCP 902514766, CCP 602514776 AND CCP 402514777 (GENERAL/AUTOMOBILE LIABILITY).

A) ALL ALLOCATED CLAIM EXPENSES.

B) CLAIM SERVICE HANDLING FEE OF 7.5% ASSOCIATED WITH ALLOCATED CLAIM EXPENSES.

II. POLICY NOS. WC 802514761, WC 202514764, AND GL 002514765 (WORKERS' COMPENSATION/EMPLOYERS' LIABILITY)

A) VARIOUS STATE ASSESSMENT PREMIUMS.

B) NON-SUBJECT EMPLOYER'S LIABILITY PREMIUM.

4. NOTWITHSTANDING THE FACT THAT SECTION 3 OF THIS AGREEMENT PROVIDES THAT UNDER POLICY NOS. CCP 902514766, CCP 602514776 AND CCP 402514777 (GENERAL/AUTOMOBILE LIABILITY), ALLOCATED CLAIM EXPENSES AND THEIR RELATED CLAIM SERVICE HANDLING FEES DO NOT CONTRIBUTE TO THE PLAN MAXIMUM, ONCE THE PLAN MAXIMUM HAS BEEN ATTAINED, ALL INCURRED COSTS UNDER ALL POLICIES REFERRED TO IN THIS AGREEMENT, EXCLUDING SUCH ALLOCATED CLAIM EXPENSES AND RELATED CLAIM SERVICE HANDLING FEES, ARE FOR THE ACCOUNT OF CNA.

5. THIS AGREEMENT SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF THE SUCCESSORS IN INTEREST OF CNA AND THE CLIENT. HOWEVER, NEITHER PARTY MAY ASSIGN ITS RIGHTS, DUTIES OR RESPONSIBILITIES UNDER THIS AGREEMENT WITHOUT THE WRITTEN CONSENT OF THE OTHER. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED TO CREATE ANY RIGHT TO ENFORCE ANY PROVISION OF THIS AGREEMENT IN ANY PARTY OTHER THAN CNA, THE CLIENT AND THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNS.

6. THE FAILURE OF CNA OR THE CLIENT TO INSIST UPON STRICT PERFORMANCE OF ANY DUTY OR RESPONSIBILITY OF THE OTHER UNDER THIS AGREEMENT SHALL NOT BE DEEMED A WAIVER OF SUCH DUTY OR RESPONSIBILITY OR CREATE ANY ESTOPPEL AGAINST CNA OR THE CLIENT.

7. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO AFFECT THE MEANING OR INTERPRETATION OF SIMILAR PROVISIONS OF PRIOR AGREEMENTS BETWEEN CNA AND THE CLIENT (OR SUBSIDIARIES OF CLIENT) UNDER WHICH CNA HAS PROVIDED AND CONTINUES TO PROVIDE INSURANCE AND CLAIMS SERVICES RELATING TO POLICY PERIODS COMMENCING PRIOR TO JUNE 30, 1993.

IN WITNESS WHEREOF, CNA AND THE CLIENT HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED BY THEIR RESPECTIVE OFFICERS IN MULTIPLE ORIGINALS EFFECTIVE AS OF THE DATE AND YEAR FIRST ABOVE STATED.

ATTEST:

Pat N. Cook.

W. R. GRACE & CO.

BY: _____

Jeffrey M. Posner
PRINT OR TYPE OFFICER'S NAME

TITLE Assistant Vice President/Director Corporate Risk Management

DATE: January 27, 1994

ATTEST:

_____
ASSISTANT SECRETARY

CNA:

BY: _____

RICHARD E. DECHENE
PRINT OR TYPE OFFICER'S NAME

TITLE: VICE PRESIDENT

DATE: 9/28/93

SCHEDULE

PART I - DESCRIPTION OF POLICIES AND DEDUCTIBLE

A. POLICY NOS. CCP 902514766, CCP 602514776 AND CCP 402514777 (GENERAL/AUTOMOBILE LIABILITY)

POLICY PERIOD

JUNE 30, 1993 TO JUNE 30, 1994

DESCRIPTION OF COVERAGE APPLICABLE TO DEDUCTIBLE

ALL COVERAGES AFFORDED BY ABOVE LISTED POLICIES.

DEDUCTIBLE AMOUNT

THE FIRST $2,500,000 EACH OCCURRENCE SINGLE LIMIT OF LIABILITY FOR AUTOMOBILE LIABILITY, AND THE FIRST $5,000,000 EACH OCCURRENCE SINGLE LIMIT OF LIABILITY FOR GENERAL LIABILITY, (INCLUSIVE OF ALLOCATED CLAIM EXPENSES).

CLAIM SERVICE FEES - TO BE COMPUTED AS FOLLOWS:

THE CLAIM SERVICE HANDLING FEE WILL BE 7.5% OF PAID LOSSES AND ALLOCATED CLAIM EXPENSES, LIMITED TO THE FIRST $1,000,000 OF ANY ONE OCCURRENCE (EXCEPT AS RESPECTS EMPLOYEE BENEFITS LIABILITY, THE LIMIT IS THE FIRST $1,000,000 OF ANY ONE CLAIM), APPLICABLE TO AUTOMOBILE LIABILITY, AND GENERAL LIABILITY.

B. POLICY NOS. WC 802514761, WC 202514764 AND GL 002514765 (WORKERS' COMPENSATION/EMPLOYERS' LIABILITY).

POLICY PERIOD

JUNE 30, 1993 TO JUNE 30, 1994.

DESCRIPTION OF COVERAGE APPLICABLE TO SUBJECT LIMIT

ALL COVERAGES AFFORDED BY ABOVE LISTED POLICIES.

SUBJECT LIMIT

THE FIRST $1,000,000 OF EACH OCCURRENCE.

THE WORKERS' COMPENSATION LOSS LIMIT OR DEDUCTIBLE AMOUNT OF $1,000,000 IS INCLUSIVE OR COMBINED PER ACCIDENT OF BOTH WORKERS' COMPENSATION CLAIMS AND WORKERS' COMPENSATION ALLOCATED CLAIM EXPENSE AMOUNTS.

CLAIM SERVICE FEE - TO BE COMPUTED AS FOLLOWS:

THE CLAIM SERVICE HANDLING FEE WILL BE 6% OF PAID WORKERS' COMPENSATION RETRO LOSSES AND WORKERS' COMPENSATION DEDUCTIBLE LOSSES AND RELATED ALLOCATED CLAIM EXPENSES LIMITED TO FIRST $500,000 ANY ONE ACCIDENT OR OCCURRENCE.

PART II - AGREEMENTS:

DEDUCTIBLE REIMBURSEMENT CONTRACT - DATED JUNE 30, 1993
CLAIM SERVICE AGREEMENT (INSURANCE PLANS) - DATED JUNE 30, 1993
CLAIM SERVICE AGREEMENT (202514778) - DATED JUNE 30, 1993
CLAIM SERVICE AGREEMENT (002514779) - DATED JUNE 30, 1993
FINANCE AGREEMENT - DATED JUNE 30, 1993

W. R. Grace & Co.
Calculation of Ultimate WC Retro & Deductible Program Costs (85/86 - 97/98)
As of January 1, 2004

Retro	6/30/85 - 6/30/1986	6/30/86 - 6/30/1987	6/30/87 - 6/30/1988	6/30/88 - 6/30/1989	6/30/89 - 6/30/1990	6/30/90 - 6/30/1991	6/30/91 - 6/30/1992	6/30/92 - 6/30/1993	6/30/93 - 6/30/1994	6/30/94 - 6/30/1995	6/30/95 - 6/30/1996	6/30/96 - 6/30/1997	6/30/97 - 6/1/1998	All Years
A. Standard Premium:	33,292,830	26,186,879	21,820,058	24,898,193	24,911,988	28,387,851	17,637,259	15,040,407	3,316,265	3,977,088	2,017,443	2,043,357	442,187	
B. Basic/Retention:	1,864,642	1,655,144	1,296,111	995,928	996,480	1,195,100	1,779,599	1,174,194	221,969	163,119	110,847	135,022	45,517	
C. Excess Loss Premium:	320,316	265,256	469,832	262,334	271,438	323,508	257,395	-	-	24,701	23,821	27,616	7,666	
D. Incurred Loss and ALAE:	27,065,360	17,953,234	13,393,732	16,104,501	18,327,161	22,515,330	10,999,949	3,138,461	1,227,106	801,623	660,607	411,633	5,289	
E. Loss Development Factor (average):	1.008	1.009	1.010	1.011	1.012	1.013	1.013	1.014	1.016	1.017	1.020	1.024	1.035	
F. Ultimate Loss and ALAE:	27,275,433	18,106,018	13,530,616	16,287,731	18,546,766	22,819,043	11,139,219	3,183,607	1,247,169	815,620	673,832	421,394	5,476	
G. Loss Conversion Factor:	1.07	1.0769	1.08	1.08	1.08	1.07	1.08	1.00	1.00	1.00	1.00	1.00	1.00	
H. Ultimate Loss and Expenses: [F * G]	29,184,714	19,498,370	14,613,065	17,590,750	20,030,507	24,526,482	12,000,372	3,193,436	1,247,169	815,620	673,832	421,394	5,476	
I. Tax & Residual Market Charge: [TM * (B + C + H)]	1,324,390	976,528	919,278	1,666,652	1,120,534	1,956,955	862,095	293,680	277,448	124,011	74,941	43,802	3,578	
J. Estimated Ultimate Retro: [B + C + H + I]	32,694,061	22,395,299	17,298,286	20,515,664	22,418,959	28,002,044	14,899,461	4,661,309	1,746,586	1,127,451	883,441	627,834	62,238	
Deductible														
K. Deductible Premium:						1,417,323	1,417,323	4,460,072	2,334,913	2,011,069	1,944,695	1,061,440	313,425	
L. Incurred Loss and ALAE:						2,319,205	5,513,022	7,815,886	3,510,868	3,940,742	2,319,634	919,358	643,899	
M. Loss Development Factor:						1.013	1.013	1.014	1.016	1.017	1.020	1.024	1.035	
N. Claim Service Fees: [8.0% * L]						188,039	400,446							
O. Estimated Ultimate Deductible: [K + (L * M) + N]						3,955,851	7,400,592	12,388,389	5,903,183	6,020,619	4,310,768	2,002,599	980,105	
Maximum Limitation														
P. Combined Ultimate Retro + Deductible	32,694,061	22,395,299	17,298,286	20,515,664	22,418,959	30,540,572	20,882,730	12,589,626	5,314,856	5,137,001	3,249,514	1,568,993	728,917	
Q. Maximum Payable:														
R. Limited Estimated Ultimate Retro + Ded Program:	32,694,061	22,395,299	17,298,286	20,515,664	22,418,959	30,540,572	20,882,730	12,589,626	5,314,856	5,137,001	3,249,514	1,568,993	728,917	
Other Than Subject Program Costs:														
S. Claims Handling Costs: (not included above)								666,715	275,866	259,510	197,594	88,566	43,690	
T. Texas Tax: [Texas CHC in S * 8.25%]								18,428	987	26	-	-	-	
U. NY Assessment: [NY Ultimate Loss & Exp * 16%]								-	7,346	761	0	67	-	
V. Total Other Costs:								685,144	284,198	260,298	197,594	88,633	43,690	
W. Estimated Ultimate Program Costs:	32,694,061	22,395,299	17,298,286	20,515,664	22,418,959	30,540,572	20,882,730	13,274,770	5,599,055	5,397,298	3,447,108	1,657,626	772,607	196,894,036
X. Paid Amounts through 7/1/01:	32,175,657	22,182,489	16,710,572	20,000,617	20,704,400	28,459,796	20,305,563	12,581,766	5,264,492	4,048,032	2,664,060	1,054,132	577,555	186,729,131
Y. Estimated Future Amount Due CNA:	518,404	212,810	587,714	515,047	1,714,559	2,080,776	577,167	693,004	334,563	1,349,266	783,048	603,494	195,052	10,164,905

Summary of Estimated Amounts Payable-All Lines	Workers Comp (From Above)		AL/GL/PL (See AL/GL/PL Exhibit)		Total
Estimated Ultimate Program Costs:	196,894,036	(sum of row W from above)	130,583,180	(see note below)	327,477,216
Previously Paid Amounts:	187,633,739	(see note below)	121,274,771	(sum of row E from AL/GL/PL exhibit)	308,908,510
Estimated Future Amount Due CNA:	9,260,297	Difference	9,308,409	Difference	18,568,706

Note. WC previously paid amounts is a sum of row X, plus $904,608 that has been paid from 7/1/01 to date. This inclusive of a draw of $62,579
AL/GL/PL estimated ultimate program costs is a sum of row D from the AL/PL/GL exhibit, plus Mass Tort claim #07104284

8/2/2004
2:31 PM

EXHIBIT
E

FINAL

WR Grace WC Calc.xls

AL/GL/PL Losses Exclude Asbestos, Pollution, and Mass Tort

Policy Year——>	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	All Years
Evaluation Date	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	
GL Incurred Losses	21,477,890	10,478,030	3,072,215	7,052,056	6,007,969	8,253,084	2,827,277	1,812,620	863,137	930,670	162,643	78,802	762,456	
GL Loss Limit	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Age (months)	222	210	198	186	174	162	150	138	126	114	102	90	78	
GL: LDF to Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.033	1.064	
GL: Ultimate Losses	21,477,890	10,478,030	3,072,215	7,052,056	6,007,969	8,253,084	2,827,277	1,812,620	863,137	930,670	162,643	81,402	811,253	
Evaluation Date	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	
AL Incurred Losses	1,718,844	1,497,100	2,687,814	3,271,755	1,569,701	2,412,481	2,936,086	1,877,687	343,777	338,427	809,222	91,965	107,409	
AL Loss Limit	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	
Age (months)	222	210	198	186	174	162	150	138	126	114	102	90	78	
AL: LDF to Ult	1.000	1.000	1.000	1.000	1.001	1.002	1.005	1.009	1.014	1.021	1.030	1.041	1.056	
AL: Ultimate Losses	1,718,844	1,497,100	2,687,814	3,272,987	1,571,406	2,417,937	2,949,917	1,894,379	348,690	345,512	833,180	95,759	113,387	
Evaluation Date	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	12/31/2002	
PL Incurred Losses	2,632,846	4,791,557	1,596,629	2,129,642	2,141,310	1,023,908	3,001,722	2,602,818	1,082,710	668,499	358,090	5,617,413	5,186,807	
PL Loss Limit	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Age (months)	222	210	198	186	174	162	150	138	126	114	102	90	78	
PL: LDF to Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.002	1.009	1.020	1.035	1.057	
PL: Ultimate Losses	2,632,846	4,791,557	1,596,629	2,129,642	2,141,310	1,023,908	3,001,722	2,602,818	1,084,875	674,515	365,252	5,814,022	5,482,455	
AL/GL Amount Pd to Date														
SIR	25,783,882	15,833,466	7,030,501	12,378,301	9,629,904	12,211,636	8,713,760	6,174,855	2,006,923	1,410,042	1,296,197	5,329,302	5,397,999	
CS ON SIR	1,675,952	1,127,342	527,287	928,372	722,242	915,872	653,532	463,114	150,519	112,803	103,695	346,404	350,869	
Total	27,459,834	16,960,808	7,557,788	13,306,673	10,352,146	13,127,508	9,367,292	6,637,969	2,157,442	1,522,845	1,399,892	5,675,706	5,748,868	
AL/GL/PL: SIR														
A Ultimate Loss & ALAE	25,829,580	16,766,687	7,356,658	12,454,685	9,720,685	11,694,929	8,778,916	6,309,817	2,296,702	1,950,697	1,361,075	5,991,184	6,407,095	
B Claims Handling Fee %	6.5%	7.12%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	8.0%	8.0%	6.5%	6.5%	
C Claims Handling Expense (A x B)	1,678,923	1,193,788	551,749	934,101	729,051	877,120	658,419	473,236	172,253	156,056	108,886	389,427	741,461	
D Est. Ult. Cost (A + C)	27,508,503	17,960,475	7,908,407	13,388,786	10,449,737	12,572,048	9,437,334	6,783,054	2,468,955	2,106,753	1,469,961	6,380,610	7,148,557	125,583,180
E Amount Paid to Date	27,459,834	16,960,808	7,557,788	13,306,673	10,352,146	13,127,508	9,367,292	6,637,969	2,157,442	1,522,845	1,399,892	5,675,706	5,748,868	121,274,771
F Ultimate - Paid (D - E)	48,669	999,667	350,619	82,113	97,591	(555,460)	70,042	145,085	311,513	583,908	70,069	704,904	1,399,689	4,308,409
Mass Tort														
Case Reserve - Claim #07104284	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	5,000,000

1998 Program:

4/1/98 to 6/30/98	Audit CCP 166809546	$135
6/30/98 to 6/30/99	Audit Same policy	$682
Aggregate Deductible Accounting 4/1/98 to 6/30/99		($649)
4/1/98 to 6/30/98	Audit WC 166809501	($4,033)
6/30/98 to 6/30/99	Audit Same policy	$86,570
4/1/98 to 6/30/98	Audit WC 166809529	($13,482)
6/30/98 to 6/30/99	Audit Same policy	($65,038)
4/1/98 to 6/30/98	Audit GL 166809627	$201
6/30/98 to 6/30/99	Audit Same policy	$632
Total for 1998 program		**$5,018**

1999 Program:

6/30/99 to 6/30/00	Audit WC 189190678	($65,363)
	Audit WC 189190650	$32,331
	Audit CCP 189190695	$23,311
Total for 1999 program		**($9,721)**

EXHIBIT

F

In-Force Collateral

Sorted By SBU, Branch, Insured as of 3/3/2003

Risk Management

Insured	CCN	Coll. Type	ID	Expiry Date	Without Violations	Auto Renew	Issuing Institution	Current Value
W R Grace & Co								
	4126	Letter of Credit	P-751845	06/30/2003	No	Yes	JP Morgan Chase	$773,000.00
	13902	Letter of Credit	LC870-089118	06/30/2003	Yes	Yes	Wachovia Bank, NA	$1,678,000.00
	14206	Letter of Credit	LC870-094303	06/30/2003	Yes	Yes	Wachovia Bank, NA	$837,000.00
	14207	Letter of Credit	LC870-094304	06/30/2003	Yes	Yes	Wachovia Bank, NA	$1,087,421.00
	16201	Letter of Credit	LC870-111952	06/30/2003	Yes	Yes	Wachovia Bank, NA	$160,000.00
	16202	Letter of Credit	LC870-111950	06/30/2003	Yes	Yes	Wachovia Bank, NA	$188,000.00
	16203	Letter of Credit	LC870-111954	06/30/2003	Yes	Yes	Wachovia Bank, NA	$489,000.00
	16204	Letter of Credit	LC870-111953	06/30/2003	Yes	Yes	Wachovia Bank, NA	$365,000.00
	16263	Letter of Credit	LC870-102529	06/30/2003	No	Yes	Wachovia Bank, NA	$2,134,000.00
	16264	Letter of Credit	LC870-102528	06/30/2003	No	Yes	Wachovia Bank, NA	$1,075,000.00
	16357	Letter of Credit	NY-00403-30023666	06/29/2003	No	Yes	Citibank, NA	$2,198,000.00

EXHIBIT G

W.R. Grace & Co.
(f/k/a Grace Specialty Chemicals, Inc.)
Case No. 01-1139, Chapter 11
United States Bankruptcy Court for the District of Delaware

Exhibit H

Case No.	Case Name
01-1139	W.R. Grace & Co. (f/k/a/ Specialty Chemical, Inc.
01-1179	W.R. Grace & Co.-Conn.
01-1140	A-1 Bit & Tool Co., Inc.
01-1141	Alewife Boston Ltd.
01-1142	Alewife Land Corporation
01-1143	Amicon, Inc.
01-1144	CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.
01-1145	CCHP, Inc.
01-1146	Coalgrace, Inc.
01-1147	Coalgrace II, Inc.
01-1148	Creative Food 'N Fun Company
01-1149	Darex Puerto Rico, Inc.
01-1150	Del Taco Restaurants, Inc.
01-1151	Dewey and Almy, LLC (f/k/a Dewey and Almy Company)
01-1152	Ecarg, Inc.
01-1153	Five Alewife Boston Ltd.
01-1154	G C Limited Partners I., Inc. (f/k/a Cocoa Limited Partners I, Inc.)
01-1155	G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.)
01-1156	GEC Management Corporation
01-1157	GN Holdings, Inc.
01-1158	GPC Thomasville Corp.
01-1159	Gloucester New Communities Company, Inc.
01-1160	Grace A-B Inc.
01-1161	Grace A-B II Inc.
01-1162	Grace Chemical Company of Cuba
01-1163	Grace Culinary Systems, Inc.
01-1164	Grace Drilling Company
01-1165	Grace Energy Corporation
01-1166	Grace Environmental, Inc.
01-1167	Grace Europe, Inc.
01-1168	Grace H-G Inc.
01-1169	Grace H-G II Inc.
01-1170	Grace Hotel Services Corporation
01-1171	Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.
01-1172	Grace Offshore Company

Case No.	Case Name
01-1173	Grace PAR Corporation
01-1174	Grace Petroleum Libya Incorporated
01-1175	Grace Tarpon Investors, Inc.
01-1176	Grace Ventures Corp.
01-1177	Grace Washington, Inc.
01-1178	W.R. Grace Capital Corporation
01-1180	W.R. Grace Land Corporation
01-1181	Gracoal, Inc.
01-1182	Gracoal II Inc.
01-1183	Guanica-Caribe Land Development Corporation
01-1184	Hanover Square Corporation
01-1185	Homco International, Inc.
01-1186	Kootenai Development Company
01-1187	L B Realty, Inc.
01-1188	Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.)
01-1189	Monolith Enterprises, Incorporated
01-1190	Monroe Street, Inc.
01-1191	MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation)
01-1192	MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.)
01-1193	MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.)
01-1194	Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.)
01-1195	Southern Oil, Resin & Fiberglass, Inc.
01-1196	Water Street Corporation
01-1197	Axial Basin Ranch Company
01-1198	CC Partners (f/k/a Cross Country Staffing)
01-1199	Hayden-Gulch West Coal Company
01-1200	H-G Coal Company